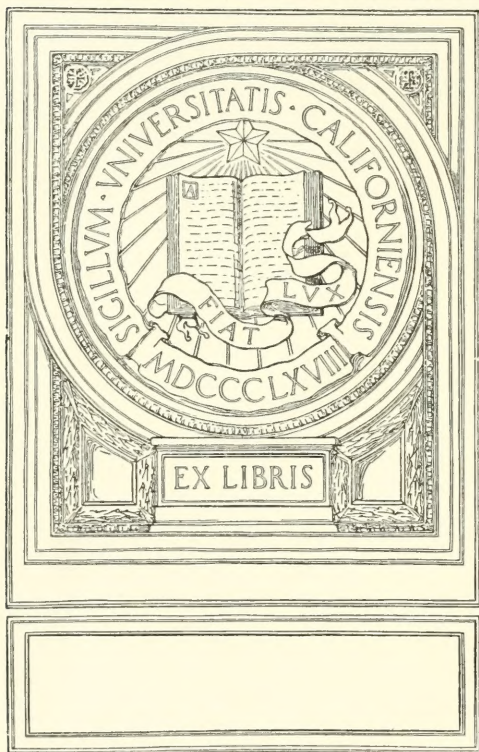


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INTRODUCTORY.

The terms embraced in the vocabulary of finance practically constitute in themselves a language. Furthermore, these terms have become legal by usage; they have, indeed, in many instances, been incorporated into the statutes. The nomenclature of finance may be said to be a part of the system of finance, for without recourse to that nomenclature no financial proposition can be advanced or financial engagement entered into or consummated.

Rare
Smith's Financial Dictionary was compiled for the purpose of assembling and interpreting the terms employed in financial and allied commercial affairs. In addition to furnishing a catalogue of terms, with their meaning, the work treats, under proper titles, the whole range of banking, money, credit, stocks and bonds, commercial paper and other negotiable instruments, domestic and foreign exchange, and speculation in securities and commodities. The Dictionary is international in its scope. It contains the financial and related terms in use in Great Britain as well as those in use in the United States; so that it encompasses the list of such terms in the English language.

To increase the utility of the Dictionary a summary of the monetary systems of the world is included, together with a table of the monetary designations of the various countries, with their equivalents in the moneys of both the United States

and Great Britain. Compound interest tables and tables showing returns from investments at different prices and at different rates of interest or dividend also are provided. In short, the aim has been to omit nothing which might facilitate financial transactions by conveying a comprehension of financial facts, practises and expressions. The arrangement of the Dictionary is free from complication. Desired information may readily be obtained by turning to the appropriate term, title or name.

By means of the Dictionary one unfamiliar with finance may promptly and adequately inform himself upon any financial subject. Exact understanding of the terminology of finance is essential to the successful conduct of financial affairs. In actual dealings lack of that exact understanding may be and often has been the cause of loss. The most thoroughly informed can hardly hope to keep in mind the multiplicity of terms that exist and be able likewise to define them. There has been need, therefore, of a permanent record of these terms, with sufficient elucidation of them; and this need Smith's Financial Dictionary is intended to supply.

The Dictionary is specially adapted for bankers, brokers, manufacturers, merchants and lawyers. The determination of a suit at law frequently depends upon a clear definition of a term peculiar to a business or profession. The phraseology of finance is here presented that it may be used with precision.

SMITH'S FINANCIAL DICTIONARY

A

Ar. A designation signifying first class or without a superior.

A. As printed on the tape by the stock ticker this letter means assented or class A; see Assented stocks or bonds; also see Classified bonds and Classified stock.

Abatement. In a contract abatement is a reduction in the claim by the creditor.

"A" bond. A bond in an issue divided into a series numbered alphabetically.

Above par. When the market price is greater than the par or face value. For additional information see Par.

Abrasion. The loss sustained by coins or by gold or silver bars by rubbing against each other or against other objects or substances. The value of gold or silver for export or import is reckoned by weight and fineness whether in coins or bars.

The law says that any gold coins of the United States reduced in weight by natural abrasion not more than 1-2 of 1 per cent after a circulation of twenty years, as shown by

the date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States Treasury.

Silver coins are worth their face value so long as the inscriptions on both sides can be deciphered.

Mutilated coins, either gold, silver, nickel or bronze, are worth only their bullion value, or in other words, are worth only the commercial value of the metal of which they are composed.

The extent to which coins may be reduced in weight by abrasion or wear and still be redeemable at the Treasury is designated tolerance or mint remedy.

The term tolerance or mint remedy also applies to the allowance for a slight difference in the fineness of gold or silver from the government standard. In the United States the limit of difference in gold either above or below is one-thousandth; in silver it is three-thousandths.

Absolute indorsement. An absolute indorsement binds the indorser to pay on no other condition than the failure of the prior parties to do so and on due notice to him of their failure.

Absorbed. When an issue of stock or bonds has passed into the hands of the public it has been absorbed; and when the general reselling of it has ceased it has become assimilated or digested. Also, when a block of stock held speculatively has been sold it has been absorbed by the market; and when a settled price for it has been established it has been assimilated or digested.

Acceptance. A bill of exchange (draft) payable at a future date which the drawee (the one upon whom it is drawn) accepts prior to maturity by formally acknowledging that it is an obligation for which he is liable. He writes (or stamps) across the face of the paper the word "Accepted" and beneath this word he inscribes the date and then signs his name. If he desires to make it payable at a particular bank or place he will write between the word "Accepted" and his name the stipulation that it shall be payable at such a bank or at such a place. Acceptance of the paper imparts to the paper itself the name acceptance.

When acceptance of a bill is refused proceedings may be begun against the maker and indorser without waiting for the

bill to mature—without waiting for the date of payment to arrive.

An acceptance is “general” (or “clean”) when it assents without qualification to the order (draft) as made by the drawer; it is “qualified” when the acceptance is for a less sum than is named in the bill or when some modifying condition is imposed or attached; and it is “supra protest” or “for honor” when accepted by a person other than the drawee (the one drawn upon) to save the honor or credit of the drawer or an indorser after refusal of the drawee to accept. An acceptance is “special” when the form of acceptance is special or particular or is unusual.

The acceptance of a draft makes the acceptor the principal debtor. After acceptance the drawer stands practically in the position of an indorser of a promissory note, being only secondarily liable. Acceptance admits everything necessary to make the acceptor liable. It admits the obligation to the maker of the draft and the acceptor will not afterwards be allowed to deny this to the damage of a holder of the paper.

The drawee (the one who is to pay) is allowed 24 hours after the presentation of the bill in which to decide whether he will accept it. This allowance of time is for the purpose of permitting an examination of documents accompanying a bill, but it likewise is granted in the case of a clean bill—a bill which is not accompanied by documents.

For additional information see Commercial paper; also see Negotiable instrument.

Acceptance bill. The abbreviated name for a bill for acceptance; see Bill for acceptance.

Acceptance for honor. Said when a party other than the drawee (the one drawn upon) accepts a bill (draft) which has not been honored by the drawee. The purpose is to save the honor (credit) of the drawer, who is looked to to protect or reimburse the acceptor.

Acceptance supra protest. Acceptance after protest; acceptance by a party other than the drawee (the one drawn upon) of a bill (draft) which has not been honored by the drawee and has been protested. The purpose is to save the honor (credit) of the drawer, who is looked to to protect the acceptor.

Acceptor. The one who accepts and by so doing promises

to pay a bill of exchange (draft). For additional information see Acceptance.

Accommodation bill. A bill of exchange (draft) drawn or accepted as an accommodation to another. Another name for such a bill is non-value bill. Also see Value bill.

In Scotland an accommodation bill is called a wind bill.

Accommodation indorsement. Indorsement when the indorser derives no use or benefit from the paper. The indorsement, however, involves full liability unless there is a special agreement to the contrary. See Accommodation party.

Accommodation indorser. One who without consideration or protection indorses the paper (promissory note or bill of exchange or draft) of another which is not payable to himself.

Also see Accommodation party.

Accommodation note. A promissory note given, not for value received, but as an accommodation to another. There are also accommodation bills of exchange (drafts).

The maker of an accommodation note is fully liable for the amount of it, except in special circumstances, for which see Accommodation party.

Accommodation paper. Negotiable paper, as bills of exchange (drafts) drawn, accepted or indorsed, or promissory notes made or indorsed without consideration by one person to enable another to obtain credit or to raise money.

As between the maker and the accommodation indorser nothing can be recovered.

Accommodation party. One who signs a negotiable instrument as maker, drawer, acceptor or indorser without receiving value therefor and for the purpose of lending his name to some other person.

Such a person is liable on the instrument to a holder for value (for a consideration paid in money or otherwise), notwithstanding that such holder knew him to be only an accommodation party.

An accommodation indorser may place his name on the paper with an understanding that it is a mere formality and that he is not to be called upon for payment in any event; in another case there may be an understanding that the paper is to be used for some particular purpose and for no other. In the first case the accommodation indorser is not liable to the

first holder in any event; in the second case he is not liable to the first holder if the paper is with the knowledge of that holder diverted from the purpose for which it was issued. But in either case he is liable to any subsequent holder who has taken the paper in good faith and with no knowledge of the restriction or limitation. The instrument cannot be enforced by any person who takes it in violation of such terms and conditions when notice thereof has been given.

Account. A record or statement of debits and credits or of receipts and expenditures or of any business transactions.

To account is to render a report or statement; to make an accounting.

Account, The. On the London Stock Exchange the account means either the fortnightly settlement or the period from one fortnightly settlement to another. When stocks are bought (or sold) for the account (as distinguished from for money) they are to be paid for at the forthcoming settlement. There is one settlement about the middle of the month and there is another at the close of the month.

On the London Stock Exchange most of the dealings are for the account, which means that the transactions are to be concluded or existing differences on them settled in the next fortnightly settlement. Four consecutive days, called account days, are set apart twice a month for the settlement of contracts in stocks other than government-stocks or bonds. In these latter there is a settlement only once a month.

Buying and selling of stocks for the account on the London exchange is the same as buying and selling regular way (in the regular way) on the New York Stock Exchange, except that on the New York exchange there is a settlement every day for transactions of the previous day. Business for money (cash) on the London exchange is small, as in fact it is on the New York exchange.

The word account is also used to express the extent of speculative positions open. For instance, an operator is said to have a large account when he is heavily involved either on the bull or bear (long or short) tack (or side). It is said that there is a big bull or bear account in any market when operators on the long or short side have opened large positions.

For additional information see Settlement, The.

An effort to introduce dealings for the account on the New York Stock Exchange was not successful and was abandoned. Dealings as previously in the regular way were permitted at the same time and by this test the preference of a majority of the members of the exchange for dealings in the regular way was shown.

Accountable receipt. A receipt given for money or property to be subsequently accounted for.

An accountable receipt is given by a party who receives money which he is to disburse and for which he is to account.

An accountable receipt is given by a party who receives (as a consignee or commission merchant) goods which he is to dispose of and for which he is to account.

Account and risk. The blank forms provided by brokers to be filled in by speculators in stocks, grain, cotton, etc., usually bear the inscription "Buy (or sell) for my account and risk," which means that when an order is given to the broker it is to be executed for the account and risk of the customer (the speculator) and that the broker is merely acting as an agent in the matter.

Accountant. One who is skilled in accounts; an expert bookkeeper.

A chartered accountant (English) is a person who holds a charter (certificate) from the Institute of Chartered Accountants stating that he has passed an examination and is competent to perform an accountant's work.

Account current or current account. Same as open or running or continuing account; an account that continues and in which a settlement is made at intervals, as every 30 days, 60 days or twelve months.

In Great Britain a current account (also called drawing account) in a bank is one which may be added to by deposits and drawn against at will—at any time. On the other hand a deposit account is one in which money deposited remains by agreement for a specified time and draws interest at a specified rate.

Account day. This term is used loosely on the London Stock Exchange. It may mean any of the days during which the settlement (see Settlement, The) lasts, but more usually it means pay day; that is, the fourth and last day of the fort-

nightly settlement on the exchange when transactions for the account (see *Account, The*) are settled (when contracts entered into in the preceding half-month are settled by cash payments).

Account days. Account days, as distinguished from account day, are the four days occupied in the fortnightly settlement of transactions on the London Stock Exchange, or in other words, the four days occupied in the settlement of each fortnightly account. For additional information see *Settlement, The*.

Account payable. An account which stands as a debit and to close which payment must be made.

Account receivable. An account which stands as a credit and to close which payment must be received.

Account rendered. An account presented by a creditor to his debtor; it shows the obligation of the debtor to the creditor and in the absence of dissent from the debtor he is considered to have assented to its correctness.

It is the practise in business for the creditor to render to the debtor on the first of each month an account for the preceding month—that is, to present to the debtor on the first of the month a statement of the items entered against him in the preceding month.

If the account has not been settled when the first of the succeeding month arrives the debit and credit items are not repeated in detail, but instead a statement is sent to the debtor reading “To account rendered” and naming the amount due. If in the intervening month new items have been entered against the debtor these in detail follow the “account rendered” and the sum of them is added to the amount of the “account rendered.”

If in rendering an account the debit items are partially offset by credit items the difference is called “balance due.” Then, if a settlement has not been made (the balance due has not been paid) when the statement is sent to the creditor on the first of the succeeding month the statement is inscribed “To balance due,” with the new debit and credit items following.

Account sales. A statement given by the broker, agent or commission merchant showing the state of the account of the one to whom it is rendered.

Account stated. Same as account rendered; the term account rendered is given preference in business usage; see Account rendered.

Accrued dividend. The proportion of a regular dividend not yet payable that has accumulated at a given time after the date of the payment of the preceding regular dividend is called accrued dividend.

Cumulative dividends which have not been paid as they fell due are sometimes called accrued dividends, but the correct term for them is accumulated dividends; see Cumulative dividend.

Accrued interest. The amount of interest not yet payable that has accrued at a given time after the last regular payment.

Instalments of interest due and unpaid are accumulated interest, as distinguished from accrued interest.

Accumulated dividends. Cumulative dividends which have not been paid as they fell due but instead have accumulated (have been added together); see Cumulative dividend.

Accumulated interest. Instalments of interest due and unpaid. Also see Accrued interest.

Accumulative dividend. Same as cumulative dividend; a dividend which if not paid regularly or in full accumulates and must be paid in the future.

Accumulative stock. Same as cumulative stock; usually preferred stock the dividends on which if not paid regularly or in full accumulate and must be paid in the future before a dividend can be paid on the common stock.

Acknowledgment. A declaration or admission made and signed before an authorized official, such as a notary, commissioner or judge; attached to bonds, mortgages, deeds, etc.

The purpose of an acknowledgment is to furnish satisfactory evidence that the instrument was signed by the person whose name it bears and also that he is the person described in the instrument.

For forms of acknowledgment in surrendering title to securities see Rules for delivery.

Acquittance. A written agreement discharging a person from an obligation to pay a sum of money; an acknowledgment of the payment of a debt.

Acreage. Area in acres. This term is commonly employed

in referring to the crops. When it is said, for instance, that the acreage of wheat is 10,000,000 it is meant that 10,000,000 acres of land is given up or devoted to the growing of wheat.

Action. (Archaic). A share in a stock company.

Also, action is French for share (of stock).

Also, action is any proceeding instituted in a court of law.

Actionary or actionist. (Obsolete). A shareholder in a stock company.

Action of debt. An action for the recovery of money due.

Active account. An account to which debits and credits are frequently added.

An active account in a bank is one which is frequently augmented by deposits and likewise is frequently diminished by drafts upon (by checks drawn against) it.

An active speculative account (as in stocks, grain, cotton or coffee, etc.) is one where the speculator buys and sells with frequency.

Active assets. Assets that are in use and that are productive.

Active capital. Ready money or property readily convertible into money.

Also, active capital means money (or the representative of it in any form that may take the place of or serve as money) which is constantly or steadily employed.

Active circulation. Circulating medium (money) outstanding; that is, actually in the hands of the public.

Active money. As a money market term active money means a full demand for the available supply of money at good rates of interest.

Active partner. One who takes an active part in the business; who participates in profits and is liable for debts.

Active security. An active stock (or bond) is one freely dealt in.

An active stock may not continue active; it may relapse into inactivity and then it becomes and is classed as an inactive stock.

On the London Stock Exchange the term active is applied to securities in which there is a free market at close prices.

Act of honor. Same as for honor. See Acceptance for honor; also see Payment for honor.

Actual assets. Money, or property of true or certain value, as distinct from property of supposed or possible or nominal value.

Actual damages. A legal term; real or express damages.

Actual price. The price at which a transaction is actually made as distinguished from the bid price (price offered by the buyer) and asked price (price asked by the seller).

Actual rates (of foreign exchange). The exact rates or prices at which foreign exchange is sold in large amount. For additional information see Foreign exchange rates.

Adjustable currency. Another name for elastic currency; see Elastic currency.

Adjustment. Regulation; arrangement. In a voluntary financial reconstruction the term readjustment is used; see Readjustment.

Adjustment bond. A special and little used name for a bond issued for the adjustment of the finances of a company to its increased need for funds (money).

For example, a railroad desires additional funds for improvements or extensions. It issues adjustment bonds for the purpose and these are an original or first lien on new property or are a lien after existing liens on property that is improved by expenditures on it from the proceeds of the adjustment bonds.

Adjustment mortgage. A mortgage that usually covers or represents improvements; usually, also, it is subsequent in lien or claim to another mortgage. For additional information see Adjustment bond.

Admission to dealings at the New York Stock Exchange. When stocks or bonds are admitted to dealings at the New York Stock Exchange they are officially announced, if placed on the regular list, as having been "admitted to the list;" if not placed on the regular list they are announced as having been "admitted to quotation in the unlisted department."

There is very little difference between "admitted to the list" and "admitted to quotation in the unlisted department." The chief purpose of the unlisted department is to provide for dealings in securities which do not in all respects meet the requirements for admission to the regular list as it is commonly called; it is also intended to provide for dealings in secu-

rities of new companies pending the perfecting of their organizations and the completion of their plans, after which the securities are to be transferred to the regular list.

The requirements that must be complied with to gain for an issue of stocks or bonds admission to dealings at the exchange are stated in detail in a printed circular designated as the "requirements for listing" which is supplied by the exchange for the information of companies that desire to have their securities dealt in at the exchange.

A company must furnish proof of its own legality, proof of the legality of title to its property and proof of the legality of the securities issued by it; it must furnish a detailed statement of its affairs, including its financial condition; must furnish a copy of its charter or articles of incorporation, a copy of its by-laws, etc. Furthermore, its certificates representing its securities must meet the requirements of the exchange in their form and in the engraving and printing of them and also in the denominations for which they are made out. Likewise, a transfer agent (usually a trust company or a bank) must be appointed or a transfer office established; also a registrar (usually a trust company or a bank) must be appointed.

Only certificates for stock that has actually been issued (sold or otherwise disposed of for a consideration) are admitted to dealings and the same is the case with bonds. Stock which has never been issued but is held in the treasury of a company is not admitted and the same is the case with bonds.

In the dealings on the stock exchange there is no distinction between "listed" and "unlisted" stocks; the same privileges and facilities are accorded to both and the same rules apply to both.

An application to admit a stock (or an issue of bonds) to the list, or as it is commonly called, regular list, first goes before the committee on stock list, which, if it ascertains that all requirements have been complied with, recommends admission to the list; then the adoption of the recommendation by the governing committee places the stock on the list and permits dealings in it. An application to admit a stock to dealings in the unlisted department requires approval only by the committee on unlisted securities.

When a stock (or other security) is admitted to dealings on the London Stock Exchange it is either granted an official quotation, that is to say, is placed in the official list published under supervision of the committee for general purposes; or if, as is the case with the majority of mining shares, it cannot fulfil the necessary requirements for official listing it is dealt in on the market and is quoted on the tape and in the newspapers if of sufficient importance. A considerable proportion of the securities dealt in on the more speculative markets (see Market) are not included in the official list.

Advance. A sum paid by a party to a contract on account of and before completion of the same; money paid before it is legally due, as money paid against a consignment of goods received but not yet sold.

Advance as used in speculation in stocks, grain, cotton, coffee, etc., means an upward movement in prices.

Advancement. Same as advance; a payment of money before it is due.

Adventure. The importation or exportation of goods on speculation. The term is almost obsolete, but it formerly was commonly applied to the sending of goods abroad for sale at best prices obtainable, the goods being at the owner's risk. The term now generally used is consignment.

Also see Bill of adventure.

Advice. An abbreviation for letter of advice; see Letter of advice.

Affreightment. A contract by which a vessel is hired to carry merchandise.

Afloat. A word used in the grain trade to designate grain which has been loaded into vessels for export or grain which is on passage but has not arrived at destination.

After sight. As applied to a bill of exchange (draft) this term means after acceptance by the drawee (the one who is to pay the bill). Thus, sixty days after sight means that the bill is to be paid sixty days after the date of acceptance.

Agency. An agency is created by an agreement by which one person delegates to another authority to act for him.

Agency in the sense of influence on prices in the speculative markets means the same as factor and (sometimes) element.

Agend or agendum. A programme of the business to be transacted at a meeting (as a meeting of a stock company).

Agent. One authorized to transact business for another.

A principal is responsible for the act of an agent, but the agent who exceeds his authority renders himself personally liable.

An agent cannot bind his principal by any act performed contrary to instructions unless it be an act which agents of his class usually have authority to perform and the person with whom he is dealing is ignorant of the instructions which limit the agent's powers in that particular case. A person dealing with an agent is entitled to assume if not advised to the contrary that he has the authority usually possessed by agents in the same line of business. If a person dealing with an agent knows that the agent is acting contrary to his instructions the principal is not bound by the agent's acts. Otherwise he is bound.

Any commission that an agent undertakes to execute he by implication represents himself as able to do in a reasonably correct and successful manner. If by reason of his own ignorance of his duties as agent his work is of no value he cannot charge for it.

An agent is bound promptly to obey all proper instructions of his principal and faithfully and particularly to account for all the money and other property of his principal which may have come into his hands. Such an accounting he is bound to make at some reasonable time without special instructions and he is bound to make it at any time when he is called upon to do so. An agent who persistently disregards his principal's demand that he shall make an accounting is derelict in a duty which the law enforces with strictness and he has thereby given sufficient cause for his dismissal. When a reasonable time has elapsed after the demand for an accounting and the agent has no valid excuse for a failure to make it, as sickness or unavoidable accident, he may be discharged.

An agent having the custody of his principal's property is bound to insure it if instructed to do so. Moreover, he is bound to insure it without special instruction if it has been his own custom or if it is a common custom of agents having

the custody of property of that kind to insure it without instruction to do so. The owner of property is justified in supposing that the usual custom will be followed by his agent in caring for the property without any special instruction and in the event of the agent's failure to follow the custom he is liable for a loss suffered by his principal through such neglect. In any other case he is not bound to insure unless he receives specific direction to do so.

If an agent (or executor or trustee or attorney) deposits in a bank or other depository in his own name money which he holds in trust it shall be the agent's loss in case the bank (or depository) fails. The reason of the rule is that an agent cannot be allowed to determine after a loss whether the money on deposit was his own or that held by him in trust. The presumption is that a deposit belongs to the depositor and the agent (who is a trustee) is not allowed by the courts to dispute that presumption after a loss. If the agent wishes to charge his principal with the loss if any should occur he must state to the principal when the deposit is made that it is the money of the principal and not his own; that he is not only an agent but that in this particular transaction he is acting in that capacity.

If there is nothing in an agreement to the contrary a broker's commission is earned when a sale has been made and all that he engaged to do has been done. Whether the contract into which the buyer and seller have entered as a result of the broker's negotiation is carried out or not has no effect upon the validity of the broker's claim for his commission. If there is nothing in the agreement and if there is no trade usage to the contrary a broker's commission is due and payable as soon as earned. On the other hand, if the exact amount of a broker's commission in any particular transaction is to be ascertained at some time after the transaction is made the broker cannot claim any part of the sum until the full amount is determined.

One may after ceasing to act as agent of another find that the results of his efforts are still availed of by his former employer. His particular methods of doing business and his list of customers are both likely to be familiar to the employer, who may make any use of them he sees fit which is not fraudu-

lent. Such use can be prevented only by a contract between the principal and agent.

For additional information see Principal.

Agent de change. The title of a member of the Paris and other European bourses. On the Berlin Bourse there are agents de change and sworn agents de change, the latter dealing chiefly in government securities.

On the Vienna Bourse there are only sworn agents de change, who are under control of the government.

The German spelling of bourse is boerse.

For particular information as to the Paris Bourse see Paris Bourse.

Agio. The premium payable for the exchange of one kind or quality of money into another; a deduction for depreciation of coin by wear.

Agiotage. A little used term for money-changing or for brokerage in foreign moneys.

Agreement. A contract or instrument expressing terms agreed upon between two or more persons.

AJ. As printed on the tape by the stock ticker these letters mean adjustment, as adjustment bonds.

A l'escompte. On the Paris Bourse a party who has sold for future delivery can be required to deliver securities a l'escompte (under discount) at an earlier date than that named in the contract if a demand for delivery is made by the buyer.

Allison act. The usual designation is the Bland-Allison act; the act (Allison's amendment of the Bland bill) which was passed over the veto of President Hayes and became a law February 28, 1878, providing for the purchase by the government of not less than \$2,000,000 and not more than \$4,000,000 worth of silver bullion each month and the coinage of it into silver dollars, these to be legal tender. It was superseded by the so-called Sherman act, which see.

Allocation. Apportionment; allotment; assignment. The term allocation of stock is occasionally used, meaning allotment of stock.

Allonge. A piece of paper attached to a (foreign) bill of exchange to receive indorsements for which the original does not afford space.

Allotment. Share or portion.

An allotment in an underwriting is the amount assigned to a member of (subscriber to) the underwriting syndicate. An allotment of an issue of stock or bonds is the amount assigned to a subscriber, which may be less than the amount applied for if the total subscription exceeds the total amount offered for subscription.

Allotment and regret. When an issue of stock has been oversubscribed a letter of allotment and regret is sent to each subscriber informing him of the number of shares allotted to him and expressing regret that the full amount applied for could not be allotted.

Allotment letter. A letter informing an applicant for securities of a new company (or new securities of an existing company) of the amount allotted to him.

Allottee. An applicant for securities of a new company or for new securities of an existing company who receives a part or the whole of the securities that he has applied for.

All-round price. Same as overhead price; a price which covers cost and all charges, including what usually are extra charges.

Alongside. A commercial term. Goods delivered alongside are goods delivered at or by the side of the ship in which they are to be cargo.

American market. Designation for the group of jobbers on the London Stock Exchange who deal exclusively in American securities; also the place where they congregate is called the American market. Canadian Pacific Railway shares are dealt in in the American market; but those of the Grand Trunk Railway of Canada are dealt in in a separate department.

American rails. London Stock Exchange name for the stocks of American railroads.

Americans. A designation on the London Stock Exchange for American stocks and bonds; not securities of the United States government, but American railroad and industrial securities; the name Yankees also is used.

American stocks in London. In dealings in American stocks on the London Stock Exchange 4 shillings is counted as $\$1$. Four shillings being equal to 97 1-3 cents the price of an American stock must be 2 2-3 per cent (quotably 2 5-8 per

cent) higher in London than in New York if the London price is to be equivalent to (or at a parity with) the New York price. Not 2 5-8 per cent of the par or face value is to be added arbitrarily to the New York price, but 2 5-8 per cent of the New York price, whatever it may be, is to be added to the New York price to make an equivalent London price.

Thus, for a stock selling at 50 in New York the equivalent price in London would be 51 3-8 (while the fraction 3-8 is not strictly correct it is quotably correct). For a stock selling at 100 in New York the equivalent price in London would be 102 5-8. Conversely, for a stock selling at 100 in London the equivalent price in New York would be 97 3-8 and for a stock selling at 50 in London the equivalent price in New York would be 48 5-8.

Amortization or amortizement. The extinction or reduction of a debt by means of a sinking fund.

Ancillary receiver. An assistant receiver, as a receiver in one state of the property of a company which is domiciled (chartered or incorporated) and has its chief place of business in another state. The receiver, as distinguished from the ancillary receiver, is situated in and derives his authority from the state where the company is domiciled.

And interest. When a bond is sold at a fixed price "and interest" the interest which has accrued or accumulated on it up to the date of the transaction is added to the fixed price. The fixed price with the interest added is the total price.

For instance, if a bond is sold at 100 and 1 per cent in interest has accrued on it the total cost of the bond is 101.

Annuity. A fixed allowance or income received in one or more payments annually.

Many insurance companies sell annuities—that is, in consideration of a specified sum paid to them they will return (pay) to the person for whom the annuity is bought so much per year during his or her lifetime or for a specified time.

The official title of what are commonly known as British consols is "consolidated annuities." The word annuity means a promise to pay so much per annum, either for the life of the holder or for a fixed period or in perpetuity. Annuities, generally terminable at a fixed date, have been issued in pay-

ment for several of the Indian railways that have been purchased by the Indian government.

Anthracite coal. Commonly called hard coal; mineral coal, with a bright, sub-metallic, iron-black lustre, consisting of nearly pure carbon and burning almost without flame. It is graded into eight sizes: Buckwheat (the smallest size), pea, cherry, chestnut, stove, egg, broken and steamship (the largest size).

Anthracite coal contains a very small amount of volatile matter. Anthracite proper contains from 3 to 10 per cent of such matter; graphitic anthracite contains from 1 to 3 per cent. Anthracite coal is found in commercial quantity in the United States only in the state of Pennsylvania.

Anti-gold law. Just before the retirement of Secretary Salmon P. Chase from the Treasury Department he induced Congress to pass a bill to "prohibit certain sales of gold and foreign exchange." Its object was to prevent speculation in gold in the Gold Room in New York. It prohibited the purchase or sale of gold or foreign exchange except at the regular office of the purchaser or seller and also surrounded transactions in both with further restrictions.

The idea behind the measure was that it would render the price of gold more stable. The effect was exactly the opposite. The law went into effect on June 17, 1864. The next day the price of gold had jumped 10 per cent; the following day 22 per cent was added to the price, and within two weeks it had advanced 20 per cent more to 250. On July 2, 1864, the act was repealed without debate.

A one. Written A1; a designation signifying first class or without a superior.

APD. As printed on the tape by the stock ticker these letters mean assessment paid.

Appropriation. Money set apart for a special use; also the application of property of a debtor to one of several debts.

Arbitrage. The buying and selling of the same thing in different markets, as New York and London, for the purpose of making a profit from the difference in quotations between such markets; said chiefly of dealings in stocks and bonds, but also of dealings in exchange.

Arbitrage in stocks is based and conducted on temporary

differences in prices between different markets for the same stocks. In ordinary circumstances every stock has the same value in every market in which it is dealt in.

When a stock is selling at a higher price in one market than in another it is sold in the market where the higher price prevails and is bought in the market where the lower price prevails. The operator relies on a return to the same price in both markets. When the equality in price is restored he closes his transaction by buying where he sold and selling where he bought. The difference in price that had existed represents his profit when the equality in price is restored and his transaction is closed.

For example, if a stock is selling in one market at 100 and in another at 98 it is sold in the first market at 100 and bought in the second market at 98. If the stock in the second market advances to 100 while it remains stationary in the first market it is sold in the second market and 2 per cent is made on the transaction there, and it is bought in the first market at 100 and neither profit nor loss results from the transaction there. Or, if the stock declines to 99 in the first market and advances to 99 in the second market the closing of the transaction results in a profit of 1 per cent in each market or 2 per cent in the two markets.

Owing to the system of calculating values for American stocks on the London Stock Exchange prices on the London exchange are 2 5-8 per cent of the market prices, whatever they may be, higher than the prices for the same stocks on the New York Stock Exchange when they are the equivalent of the prices on the New York exchange. In arbitrage dealings allowance has to be made for this difference in prices between London and New York, which is seeming and not actual. For a completer explanation see American stocks in London.

The difference in equivalent prices between New York and London permits two kinds of operations in stocks that are dealt in in both markets. One operation is called a spread and the other is called a back spread.

In the spread there must be more than the normal difference in prices between London and New York. The stock is sold in London where the higher price prevails and is bought in New York where the lower price prevails. Then when the

equality in price is restored the transaction is closed by buying in London and selling in New York. The profit is the amount of the difference that had existed in excess of the normal difference.

For example, when a stock is selling in New York at 100 the equivalent price in London is 102 5-8. Should the stock while selling in New York at 100 be selling in London at 104 5-8 the normal difference would be exceeded by 2 per cent. The speculator would sell in London at 104 5-8 and buy in New York at 100. Should the price in London drop 2 per cent he would buy in London at 102 5-8 and on the transaction there would make 2 per cent, while he would sell in New York at 100 and on the transaction there would neither gain nor lose. Should there be a decline of 1 per cent in London and an advance of 1 per cent in New York in restoring the equality or equivalent in prices there would be a profit of 1 per cent in each place or 2 per cent in the two places.

In the back spread there must be less than the normal difference in prices between New York and London. The stock is bought in London where the higher price prevails and is sold in New York where the lower price prevails. Then when the equality is restored the transaction is closed by selling in London and buying in New York. The profit is the amount of the difference that had existed less than the normal difference.

For example, when a stock is selling at 100 in London the equivalent price in New York is 97 3-8. Should the stock while selling in New York at 97 3-8 be selling in London at 98 the difference in price would be 2 per cent less than the normal difference. The speculator would sell in New York at 97 3-8 and buy in London at 98. Should the price in London advance 2 per cent while the price in New York remained stationary he would sell in London at 100 and on the transaction there would make 2 per cent, and he would buy in New York at 97 3-8 and on the transaction there would neither gain nor lose. Should there be a decline of 1 per cent in New York and an advance of 1 per cent in London in restoring the equality or equivalent in prices there would be a profit of 1 per cent in each place or 2 per cent in the two places.

The arbitrage business in stocks between New York and

London is large. When stocks are bought in New York and sold in London, or are sold in New York and bought in London, the cable is used for the transmission of orders from one place to the other.

By the clock London is five hours ahead of New York. When the New York Stock Exchange opens it is 10 a. m. in New York, but it is then 3 p. m. in London. The London Stock Exchange opens at 11 a. m. and closes at 4 p. m. except on the last day of the account (see Account, The), when it closes at 4.30 p.m. On Saturday 1.30 p.m. is the closing time.

After the closing of the London exchange the business in American stocks continues in the street, in Shorter's court. In this street market a good part of the arbitrage business in American stocks is conducted. Very little arbitrage business is transacted in New York before the opening of the New York Stock Exchange. The most that is done is to send orders to London for execution. No orders are executed in New York until the New York Stock Exchange opens for the reason that there is no street market in New York. For another thing it is too early in the day. When the London exchange opens at 11 a. m. it is only 6 a. m. in New York.

The London brokers remain in Shorter's court as long as there is business to keep them, but ordinarily they cease dealings at 5 o'clock or soon after. They seldom continue transactions later than 6 o'clock.

The orders sent from New York to be executed in London and those sent from London to be executed in New York are "rushed" by the cable companies, for it is a profitable business for the companies. It takes very few minutes to effect an arbitrage transaction by cable.

It is the effort in arbitrage dealings to balance transactions each day—that is, to sell as many stocks as are bought or to buy as many stocks as are sold. When the selling exceeds the buying the excess selling is designated as selling on balance; when the buying exceeds the selling the excess buying is designated as buying on balance. The next day, if possible, the discrepancy is adjusted.

Sometimes arbitrage transactions in stocks cannot be evened up in the usual way and stock certificates have to be shipped to effect an adjustment.

There is arbitrage in grain, cotton, coffee, etc., between different markets in one country or between a market in one country and a market in another country the same as in stocks between New York and London. For examples see Spread; also see Back spread.

The term arbitration is more commonly used than arbitrage in reference to operations in exchange that are based on differences in prices between different markets. For information see Arbitration of exchange.

Arbitrage broker. One who handles arbitrage business. For information see Arbitrage.

Arbitrager or arbitrageur or arbitragist. One who is engaged in arbitraging. For information see Arbitrage.

Arbitraging. Dealing in two markets to profit by the difference in prices.

In stocks an arbitrage business may be conducted between New York and London or between New York and Boston or between New York and any other market. Grain, cotton, etc., are dealt in under the same conditions. For additional information see Arbitrage.

Arbitration of exchange. A calculation based on rates of exchange to determine the difference in money values at three or more places; or, a calculation based on the money values at three or more places to determine the ratio of exchange between the different places. Where three places are concerned the calculation is called simple arbitration; where more than three places are concerned the calculation is called compound arbitration.

As an operation (as distinguished from a calculation) arbitration of exchange consists in dealing for profit in exchange between three or more places. The profit is derived from the difference in the rates of exchange on the several places.

As an example of simple arbitration of exchange a banker in New York sells a bill of exchange on London and covers it (pays it) by forwarding to London a bill on Paris for an equivalent amount purchased by him (the banker) at a lower price. Or, the banker in New York buys a bill on London and sells against it a bill on Paris, which latter bill (the bill on Paris) he covers by forwarding to Paris in payment of it the

bill on London. Simple arbitration of exchange is a triangular operation in exchange.

As an example of compound arbitration of exchange a banker in New York sells a bill on London, buys a bill on Berlin and with the bill on Berlin buys in Paris a bill on London to cover (pay) the bill on London sold by him (the banker). Or, the banker in New York buys a bill on London, sells a bill on Berlin and with the bill on London buys in Paris a bill on Berlin to cover (pay) the bill on Berlin sold by him (the banker). When four points are involved the term quadrangular operation applies.

Arbitration of exchange may be extended so as to include five or six or more places.

Area. Space or extent as measured in square miles, acres or square feet. When the term is used in referring to the crops it means the area or extent in acres. Thus, when it is said, for instance, that the area of wheat is 10,000,000 it is meant that 10,000,000 acres of land is given up or devoted to the growing of wheat.

Arrha. The Latin term for earnest money; that is, money given to bind a bargain.

Article. In making exchanges at the Bankers' Clearing House in London the term article means a check, draft or other paper calling for payment. The term employed in the United States is item or collection item.

Articles of agreement. The written terms of a bargain, contract, or covenant.

Articles of association. Another name for articles of incorporation, but in the United States the term articles of association applies to a social, political, mutual-benefit, benevolent or similar organization of individuals more particularly than to a joint-stock company. See Articles of incorporation.

In Great Britain the term articles of association means the table of conditions under which a joint-stock company is constituted. They apply only to the internal regulations of the company. For additional information see Memorandum of association.

Articles of incorporation. The certificate filed in conformity with a general law by persons who desire to form a corporation (joint-stock company) setting forth the purposes

of the corporation, etc. This certificate is often wrongly called a charter; see Charter.

Asked price. The price asked for a thing. For additional information see Bid and asked.

As per advice. A term frequently used in a bill of exchange, meaning that notice has been given (or is to be given) to the drawee (the one who is to pay the bill) that the bill has been drawn upon him.

As per indorsement. Occasionally when a foreign bill of exchange is drawn in the money of the country where it originates but is payable in another country it is made payable "as per indorsement"—that is, it is payable in the money of the second country at the rate of exchange indorsed on the bill.

Example: If a person in New York draws on a person in London for \$25,000 the rate at which it is to be paid in pounds sterling is indorsed on it. Thus, if payable at \$4.86 per pound each pound counts as \$4.86 in paying the bill.

Assay office. A laboratory for examining ores, usually gold and silver, to determine their economic value.

The term usually applies to an establishment (there are several such) maintained by the United States government to refine gold and silver delivered to it in ingots. It will refine the gold or silver for a compensation and return it, or it will buy gold refined by it, paying for it with an order on the United States Treasury for gold coin (or gold certificates) to an equal amount. It is not permitted to buy silver.

Assay office bar. A bar of fine (pure) gold or silver assayed (and manufactured) by an assay office belonging to the United States government.

A bar assayed by a private concern is designated as a commercial bar.

Assay office check. A check on the United States Treasury drawn by an assay office and given in payment for gold deposited in the assay office.

Assented stocks or bonds. Stocks or bonds deposited under an agreement by which the owners assent to some change in the status of the securities.

In reorganizations that are voluntary, or in other words, without foreclosure or other legal process, the owners assent to the exchange of their stocks or bonds, or both, for new

issues, perhaps less in amount and perhaps receiving less in dividends or interest. For additional information see Re-adjustment.

Assessment. The name applied to a demand or call from a company upon stockholders to pay into the treasury of the company a specified sum per share. It is common in the reorganization of a concern to levy an assessment on the stock to obtain funds for the discharge of debts and for working capital.

Asset currency. Currency secured by the general assets of the issuing bank instead of by government bonds as at present under the National bank act.

The two essentials for this form of currency are safety and elasticity. There is general agreement as to the desirability of a currency that shall be responsive to the demands of business, expanding in volume when trade is brisk and contracting in the dull intervals, thus insuring stability of interest rates and preventing stringency at one period and redundancy at another.

Gold and silver money and the government issues of paper money are practically permanent in volume, except that as new gold is brought to the mint it gradually increases the supply but affords no opportunity for alternate expansion and contraction.

The present national bank notes are issued under such conditions of bonded security as to make them almost equally irresponsive to varying business requirements. They have, moreover, a tendency toward disappearance, partly because there is scarcely enough profit in them to warrant the trouble of issuing them and partly because, with the gradual payment of the national debt, the supply of bonds available for security will eventually be too insignificant to be of use.

The need for an automatically elastic currency is a constantly growing factor in the business world. The nature of the need may be seen from the movements of money during the harvest season in the West and Northwest and the cotton picking season in the South. At such times large sums in currency are withdrawn from the financial centres and scattered over a large area of the country. When the particular activity which attracted these funds is over and the imme-

diate use for them has passed they naturally flow back in search of profitable occupation in the money centres. These alternate movements, from whatever cause they arise, naturally result in a plethora of money at one time and a scarcity at another, driving interest rates up and down and generally disturbing business.

The object of an elastic currency would therefore be to supply extra funds when more money is needed for temporary purposes and to retire those funds from circulation when they are not needed, preventing fluctuation in interest rates and automatically adjusting the supply of money to the varying conditions of business.

It is generally conceded that such a currency can be obtained only through the instrumentality of banking credit. By far the larger part, more than 95 per cent, of the business of the country is transacted by means of bank credits expressed through the medium of checks and drafts (bills of exchange). These credits adjust themselves automatically under the wise supervision of bank officials. It is urged that the same principle could be applied to the issuing of bank notes as another form of credit which would be available in small transactions as bank checks are in large.

In order to accomplish this it would be necessary to authorize banks to issue notes against their general assets and reputation. What restrictions should be exercised to prevent abuse of the authority is the crucial question in the controversy. A depositor in a bank risks his money and his credit with a knowledge of the general standing of the bank, its stockholders and its officers, and of its condition as shown by its reports. A man who accepts a check drawn on a bank has knowledge both of the bank and of the man who signs the check. A man who accepts the note of a bank, perhaps thousands of miles from its place of origin, cannot have this information, therefore the restrictions under which the note is issued must be such as to safeguard in a general way his interest and insure his protection against loss or the system will fall and the bank notes will fail to circulate.

Various plans for a bank currency system that will meet the necessary requirements have been advanced. Lyman J. Gage when Secretary of the Treasury suggested that banks

be permitted to issue circulating notes up to the amount of paid-up capital upon the deposit of 30 per cent of the amount in United States bonds and 20 per cent in United States notes, leaving 50 per cent as a charge against the general assets of the bank. This unsecured portion of the circulation he proposed should be further guaranteed by the establishment of a fund to which all the banks should contribute through a semi-annual tax of 1-8 of 1 per cent on their capital, which contributions should be held on deposit by the Treasurer of the United States and be used for the redemption of notes of failed banks.

The American Bankers' Association in 1894 proposed a plan, known as the Baltimore plan, which would permit banks to issue unsecured notes up to one-half of their unimpaired capital, subject to a tax of 1-2 of 1 per cent annually. In addition they might issue "emergency circulation" to the extent of 25 per cent more, subject to a heavier tax. A guarantee fund of 5 per cent of the circulation was to be held by the Treasury for redemption of notes of failed banks and the Treasury was to have a first lien on the assets of such banks.

Another plan would permit the issue without bond security of notes to the amount of 75 per cent of paid-up capital, the notes to be a first lien on assets. If the assets fell short of the note issues deficits were to be made good by a pro-rata assessment on the banks in the same state with the failed bank. This plan also provided for an "emergency circulation" equal to two-thirds of the authorized circulation, subject to an annual tax of 6 per cent.

John G. Carlisle when Secretary of the Treasury proposed that banks be permitted to issue circulation up to 75 per cent of the paid-in capital upon the deposit of 30 per cent of the amount of circulation with the Treasurer of the United States in the form of United States notes and Treasury notes. A guarantee fund of 5 per cent was to be accumulated for the immediate redemption of notes of failed banks, encroachments upon this fund to be made good by assessment, pro-rata, on the other banks in the case of a final deficiency in the assets of the failed bank.

It has also been suggested that safety and elasticity might be obtained by delegating the authority to issue notes to the

clearing houses of the large cities or to clearing houses to be established by states, thus giving to the notes the security of the combined strength of the banks so associated.

Still another plan, drawn up by the Banking and Currency committee of the Fifty-seventh Congress, and known as the Fowler bill because it was introduced by Charles N. Fowler, chairman of the committee, provided for a gradual emission of bank notes without bond security, beginning in the first year with 10 per cent of the paid-up capital and increasing 10 per cent a year until a maximum of 60 per cent should be reached. Permission so to issue notes was to be conditioned upon the assumption by the bank emitting the notes of the current redemption of an amount of United States notes equal to 20 per cent of its capital. A tax of 1-8 of 1 per cent, semi-annually, was to be imposed on the first 20 per cent of notes taken out and 5-8 of 1 per cent, semi-annually, on the succeeding 40 per cent. In addition, after six years, an extra "emergency circulation" of 20 per cent might be taken out, subject to a tax of 1 1-2 per cent, semi-annually, and after seven years still another 20 per cent, subject to a tax of 2 1-2 per cent, semi-annually. The Fowler bill also provided for the creation of a guarantee fund of 5 per cent for the redemption of notes of failed banks. Other provisions involved concurrent cancellation of a certain amount of United States notes and provided for other changes in the currency and banking laws, but the foregoing synopsis covers the main features as far as asset currency is concerned.

Canadian bank notes, and also the old New England bank currency which was redeemed through the operation of the Suffolk Bank system, are pointed to as illustrations of the safety and elasticity of a properly conducted asset currency system.

Assets. The entire property of a person, corporation or estate. For instance, the assets of an individual comprise all the property that he owns which is applicable to the payment of his debts, as "His assets exceed his liabilities."

Property that is mortgaged or is otherwise encumbered is counted as an asset, but the debt that it secures must first be paid out of the proceeds of it, so that only the equity in it is available to apply in the liquidation or payment of unsecured

debts or claims. The equity is the difference between the value of the property and the amount of the obligation (debt) to secure the payment of which the property is pledged.

Assign. To transfer in writing the ownership or control of property, rights or interests; to make an assignment.

Also, an assign is one to whom property, rights or interests have been transferred or made over.

Assigned in blank. The common term is signed in blank; a formal assignment of a stock or bond or of other property in which the space for the name of the new owner is left blank.

A stock certificate or a registered bond assigned in blank should not be received from a stranger without proper identification and satisfactory evidence of the genuineness of the assignment and attestation.

The English term which is equivalent to assigned in blank is transferred in blank.

Assigned stocks or bonds. Stocks or registered bonds assigned for transfer. The securities may be assigned in blank or specifically to an individual.

Assignee. The one to whom property, rights or interests have been assigned either for himself or in trust; a trustee.

Assignment. The act of assigning or transferring or of allotting or awarding.

Also, an assignment is the instrument in writing by which property, rights or interests are transferred.

Assignment for the benefit of creditors. The act by which an insolvent transfers his property to a trustee (assignee) who is empowered to manage and sell the same and to pay the proceeds to his creditors.

Assimilated. For the application of this word in dealings in stocks and bonds see Absorbed.

Associated banks (of New York). The banks in New York that are associated in making daily exchanges or clearings at the clearing house; in other words, the banks that belong to the clearing house; or, in still other words, the banks that are members of the Clearing House Association.

For an explanation of the method employed in making clearings see Clearing house of the associated banks of New York.

"A" stock. This is the English designation for deferred ordinary (common) stock. When for dividend purposes the

ordinary stock of a company has been divided into two parts called preferred or "B" stock and deferred or "A" stock the dividend on the A stock is deferred until a fixed amount has been paid on the B stock.

This B or preferred stock is not the same as preferred stock in the United States. What in the United States is called preferred stock is in Great Britain called preference stock and preference stock in Great Britain may be divided into two or more classes called first preference, second preference, etc., just as preferred stock in the United States may be divided into two or more classes called first preferred, second preferred, etc. When, however, there is but one class of preference stock ahead of an ordinary stock in Great Britain the B or preferred stock is equivalent to second preferred stock in the United States.

The term A stock is also occasionally used merely as a distinction and not with the connotation of "deferred." For instance, it is sometimes, though rarely, used to distinguish one issue of a company's or government's debt from another. Costa Rica A bonds and Mexican National Railroad A bonds are examples of this use.

At a discount. At less than the face value; below par.

A stock or bond is at a discount when it is selling below its par (face) value. For additional information see Par.

At a premium. Above the face value; above par.

A stock or bond is at a premium when it is selling above its par (face) value. For additional information see Par.

At call. The English term which means the same as the American term on call. Money at call (on call) is money loaned the return of which may be demanded by the lender at any time.

Also, at call is an English term for money deposited with a bank or banker which may be withdrawn at any time. A lower rate of interest is allowed on money at call than on money at notice (money, notice of the intention to withdraw which must be given).

At even. On the London Stock Exchange at even means that both bull (buyer) and bear (seller) are able to continue to the next settlement a bargain (contract) in a stock so quoted without charge for the accommodation.

Examples: Even to 1-16 contango means that the bull pays 1-16 per cent while the bear carries over even. 1-16 back (backwardation) to even means that the bull carries over even while the bear has to pay 1-16 per cent.

Atlantic ports. When this term is used with reference to export trade it means the four principal ports on the Atlantic coast—Boston, New York, Philadelphia and Baltimore.

At notice. English term for money deposited with a bank or banker at interest which may be withdrawn only at (on) notice. A higher rate of interest is allowed on money at notice than on money at call (money which may be withdrawn at any time).

At, or better. It is a frequent practise to give an order to buy a stock at, say, 100, or better, meaning a lower figure; or to sell at, say, 100, or better, meaning a higher figure.

At par. At the face value. For additional information see Par.

Attachment. A writ authorizing the seizure by the sheriff of property belonging to the defendant in an action at law and to hold it to satisfy any judgment that the plaintiff may recover.

An attachment is a provisional remedy. It is the exercise of judicial power to save a vigilant creditor from loss by taking possession of property of the debtor and holding it to satisfy any judgment that may afterwards be obtained. It is usual to require from the creditor a bond in double the amount of the claim for the payment of any loss or damage sustained by the debtor should the attachment subsequently be vacated as illegal or improperly granted. The grounds ordinarily upon which an attachment are issued are non-residence, fraud or deceit in obtaining credit, or actual or contemplated removal of the person or property of the debtor from the jurisdiction of the court.

Attestation. The writing by a person of his name on an instrument to signify that it was executed in his presence or that it is correct.

At the market. Buying or selling (as stocks) at current prices instead of at specified prices.

At the opening. Buying or selling (as stocks) at opening prices—at prices prevailing at the opening or beginning of

business. Or, buying or selling at the opening of a company's transfer books after they have been closed for an election or for the payment of a dividend or for some other purpose.

Sometimes a broker receives an order to sell a stock at the opening of the books, meaning at (on) the opening of the books of the company which issued it. The delay in the sale until that time may be because the stock has been assigned to a specified individual by the original owner instead of having been assigned (or signed) in blank (see Assigned in blank) and therefore not being a delivery it is necessary to wait until a new certificate can be obtained before a sale can be consummated.

In the same way an order may be given to a broker to buy at the opening (of the books) because stock is unobtainable or obtainable with difficulty until that time or because the intending buyer believes he can purchase to better advantage at the opening of the books than before.

At three or at ten, twenty, thirty or sixty, etc. Bought or sold (as stocks) for delivery absolutely at the end of the number of days specified without an option for an earlier delivery.

Attorney. An attorney (that is, a private attorney or attorney in fact) is a person empowered by another to act in his stead, especially a person who is legally appointed and formally authorized to transact business for another.

The distinction between a private attorney or attorney in fact and a public attorney or attorney at law is that the latter is qualified to prosecute and defend actions in a court of law, whereas the former is restricted to business out of court.

Also see Power of attorney.

At value. This is a term used in commercial dealings and particularly in transactions in dry goods. If a sale of goods for delivery in the next or an ensuing season is made at value instead of at a designated price it means that the price has not yet been fixed for the season in question and that the goods will be billed at the price ruling when shipment is made.

Also, goods sold for the current season, but the prices of which are subject to change, often are sold at value, which means that they will be billed at the price ruling when shipment is made.

Audit. An examination and adjustment of accounts by

comparing the charges with the vouchers, striking balances, etc.

The purpose of an audit is to determine or demonstrate the correctness of accounts. An independent audit of the accounts of a company (as a railroad company) insures (or is intended to insure) to the stockholders and the general public the accuracy of the financial exhibits issued by the officers of the company.

There are concerns which make a business of auditing accounts and which furnish a certificate and guaranty of the accuracy of their audits.

Authorized clerk. One who is authorized by the committee for general purposes of the London Stock Exchange to transact business on the exchange for the member by whom he is employed. An unauthorized clerk, although admitted to the exchange, is an attendant only; his presence is for the purpose of checking (making and comparing memoranda of) bargains (contracts) and for the purpose of "passing names" on the third day of the settlement. See Name day.

Automatic currency. Another name for elastic currency; see Elastic currency.

Available assets. Assets free to be converted into cash or to be otherwise employed; that are not pledged or covered by lien.

Aval. The written guarantee by a third person of the payment of a bill of exchange when due; guaranty; indorsement.

Average book. In a book bearing this name in a bank is kept a record of the average credit balances of depositors. The book is intended to serve as a guide in making loans and in discounting paper for customers of the bank who ask accommodation from it.

Averaging. A speculative term; increasing purchases or sales, as of stocks, when the market is pursuing an adverse course, for the purpose of improving the position of the buyer or seller in the matter of price.

Illustration: One hundred shares of stock are purchased at 100 and the price declines to 98. At the last named figure 100 shares more are purchased, which makes the average price for the 200 shares 99. Then, if a recovery to 99 takes place the operator is even; if it extends to 100 he has a profit.

Again, 100 shares of stock are sold short at 100 and the price advances to 102. At the last-named figure 100 shares more are sold, which makes the average price for the 200 shares 101. Then if a reaction to 101 takes place the operator is even; if the reaction extends to 100 he has a profit.

Averaging out. A speculative term, meaning to conclude a trade or venture, as in stocks, without loss and perhaps with a profit by the process of averaging; see *Averaging*.

Award. To assign or allot, as to award stock to a member of an underwriting syndicate.

Also, an award is the decision given by an arbitrator in a matter (as a business transaction) which was referred to him for settlement.

B

B. As printed on the tape by the stock ticker this letter means bonds or class B or (when accompanied by figures) bid or buyer.

A bid alone (without an offer) is followed by the letter B, thus: RG. 75. B, meaning that 75 was bid for Reading stock. A bid and offer are separated by @, thus: 75@1-2, meaning that 75 was bid for the stock and that it was offered at 75 1-2. (On some tickers three dots . . . are used in place of @). A transaction buyer 4, 10, 20, 30 or 60 is recorded (printed) thus: RG. 75. B4. (or 10, etc.), meaning that Reading stock sold at 75 and that the buyer may on one day's notice to the seller call for the delivery of it at any time within 4 days (or 10 days, etc.); see *Buyer's option*.

Back. Abbreviation of backwardation; see *Backwardation*.

Backing. As applied to a bill of exchange or a promissory note backing means indorsement; see *Indorsement*.

Back spread. A term used in an arbitrage operation in a commodity (grain, cotton or coffee, etc.) and also in a stock

when different prices prevail normally as well as from fluctuations for the same thing in different markets.

The thing is bought in one market and simultaneously sold in another, to be subsequently sold where it was bought and simultaneously bought where it was sold.

In grain there is normally a difference in price between two markets equal to the cost of transporting the grain from the market where the lower price prevails to the market where the higher price prevails. To permit a back spread the difference in price between the two markets must be less than the normal difference.

As an example of a back spread grain may be sold in Chicago and bought in New York if the price in New York is not sufficiently above the price in Chicago to equal the cost of transportation of the grain from New York to Chicago.

The normal difference between Chicago and New York in the price of wheat is, say, 6 cents a bushel—that is, wheat is normally 6 cents a bushel lower in price in Chicago than in New York. Say a difference of 4 cents, or 2 cents less than the normal difference, is found to exist. The speculator buys in New York and sells in Chicago. If the Chicago price remains stationary while the New York price advances 2 cents the speculator sells in New York and makes 2 cents a bushel on the transaction there, while he sells in Chicago and neither gains nor loses on the transaction there. Or, if the Chicago price drops 1 cent and the New York price advances 1 cent he buys in Chicago and makes 1 cent a bushel on the transaction there and he sells in New York and makes 1 cent a bushel on the transaction there.

A back spread is distinguished from a spread from the fact that in a back spread the difference in price between the two markets is less than the normal difference, whereas in a spread the difference in price between the two markets is greater than the normal difference; see Spread.

A back spread between Liverpool and New York or between Liverpool and Chicago or between any market in one country and any market in any other country is effected in the same manner as a back spread between Chicago and New York.

Likewise, a spread in cotton, coffee or any other commodity is effected in the same manner as in grain.

For information as to a back spread in an arbitrage operation in a stock see *Arbitrage*.

Backwardation. London Stock Exchange term, meaning the premium charged the seller when the bear seller (seller short) continues his bargain (contract) to the next fortnightly settlement. A backwardation is only charged on stocks that are oversold and are scarce for delivery. Generally the seller who continues receives a contango. The word backwardation is often abbreviated to back.

Examples: 1-8 to 1-4 back means that the bear (who is short) pays to the jobber 1-4 per cent for the accommodation and the bull (who is long) receives from the jobber 1-8 per cent. 1-8 back to 1-8 contango means that the bear pays 1-8 per cent and the bull pays 1-8 per cent. 1-16 back to even means that the bear pays 1-16 per cent and the bull carries over at even, or in other words, pays nothing.

Also, there is said to be backwardation in a security when it can be bought cheaper for the account (see *For the account*) than for money (see *For cash*) ; that is, it can be obtained at a lower price when the payment is to be made at the next settlement than if immediate cash payment is to be made.

Bad debt. A debt on which interest is due and unpaid for six months, unless well secured and in process of collection, is a bad debt as defined by the National bank act.

Bag. The jute bag in which coffee is imported contains about 200 pounds of Rio or 133 pounds of Java.

Balance. The amount required to equalize the debtor and creditor sides of an account.

For information as to buying and selling on balance in arbitrage operations in stocks see *On balance*.

Balance due. The unpaid difference between debts and credits in an account; the amount owed by the debtor to the creditor after the total of credits has been deducted from the total of debits.

Balance of trade. The difference in money value between sales and purchases; in foreign trade the difference in money value between exports and imports.

As commonly used the term balance of trade signifies the balance or difference in favor of a country, for instance, the United States as against the rest of the world; or in favor of

the rest of the world and against that country. To be exact the term balance of international trade should be employed, although it seldom is.

Balances. See Clearing house balances; also see Balance.

Balance sheet. A statement in tabular form showing assets and liabilities, profit and loss.

Balancing books. The periodical closing and adjustment of accounts in a ledger for the purpose of ascertaining profits or losses.

Bale. A bale of cotton contains, as nearly as may be, 500 pounds; a bale of hops contains, as nearly as may be, 180 pounds.

Ballooning. A stock market colloquialism, meaning to work a stock up far beyond its actual worth.

Baltic ports. Baltic Sea ports from which most of the Russian wheat was formerly exported. Russian wheat is now almost entirely shipped from Black Sea ports.

Baltimore plan. The name applied to a plan presented at and approved by the convention of the American Bankers' Association in Baltimore in 1894, wherein it was proposed to repeal the requirement in the National bank act for the deposit of government bonds in the Treasury to secure circulation (national bank notes); to allow banks to issue notes to the extent of one-half their paid-up and unimpaired capital, these notes to be subject to an annual tax of 1-2 of 1 per cent; and to allow banks to issue "emergency circulation" to the extent of 25 per cent additional, the additional circulation to be subject to a heavier tax. A guarantee fund of 5 per cent was to be established by the banks to be held by the Treasury for the redemption of notes, and circulation was to be a first lien upon the assets and upon the liability of stockholders of banks, which liability is for an amount equal to and in addition to the par value of the stock owned by stockholders.

Banging the market. London Stock Exchange term for forcing down the market by heavy sales.

Bank. A bank is an institution for lending, borrowing, issuing or caring for money. It may be either incorporated or private. The New York State law thus defines bank: "Any moneyed corporation authorized by law to issue bills, or notes, or other evidences of debt for circulation as money, or to

receive deposits of money, and commercial paper, and to make loans thereon; and to discount bills, notes, or other commercial paper, and to buy and sell gold and silver bullion or foreign coins, or bills of exchange."

There are five kinds of banks in the United States—national bank, state bank, trust company, savings bank, individual banker (or private bank).

The National bank act provides for the incorporation of national banks. This act permits such banks to include as part of their title the word "national" and prohibits all other banks from using the word "national" as part of their name. In the District of Columbia savings banks necessarily exist under authorization of the National bank act. State banks are organized under the laws of the states in which they are situated. Trust companies and savings banks are also organized under state laws. Private banks or bankers (that is, one or more persons engaged in the business of banking but not incorporated as a company) are not subject to supervision by national or state authorities except when they issue circulating notes (which they are permitted to do under the laws of New York state on the same conditions imposed on state banks, but which they have found unprofitable on account of the Federal tax of 10 per cent on all note issues but those of national banks).

When a person keeps an account with a bank he is said to bank at that bank.

Bankable bill. The term usually employed is bank bill; see Bank bill.

Bankable paper. The term usually employed is bank paper; see Bank paper.

Bank account. An account kept with a bank which may be drawn against until the credit balance is exhausted.

Bank act. The name given to the special act under which the Bank of England exists. The earlier charters of the bank were for terminable periods; the present charter, conferred by the Bank act, so-called, in 1844, continues for an indefinite period.

The Bank act limits the circulation (notes) that may be issued by the Bank of England against (or be backed by) securities alone. In times of crisis when the scarcity of cir-

culating medium causes panic the bank is allowed by Parliament to increase the amount of the notes that it may issue against securities. This is done by suspension of the Bank act. The suspension is permitted by a "Letter of license" from the government of the day, which promises that the government will propose a bill of indemnity if the legal limit is exceeded. The Bank act was last suspended in 1866.

For the provisions of the act under which the national banks in the United States are created and operate see National bank act.

Bank balance. This term may be applied either to the balance against or in favor of a bank at the clearing house or to the balance standing to the credit of an individual, firm or corporation in a bank.

Bank bill. This term is an abbreviation of bankable bill; it means a bill of exchange or draft that is of such good quality that a bank will readily discount (buy) it. Accordingly, it also applies to a bill when it bears the indorsement of a bank. The usual manner in which a bank becomes an indorser of a bill is in selling a bill which it holds instead of retaining it until maturity. The reason for selling is that the bank desires cash or that it can make a satisfactory profit by disposing of it. The bill brings a better price (the discount is less) with the bank's indorsement than it would bring without the bank's indorsement.

The term bank bill or bank's bill also applies to a bill of exchange or draft issued by a bank and payable by a correspondent of the bank.

The term bank bill also is often used in place of bank note (money).

Bank book. The book held by a depositor in a bank in which are entered the sums placed to his credit and, when a balance is struck at intervals, the amount of the debits.

Bank check. A written order for the payment of money on deposit in a bank, usually executed by filling in and signing a printed or engraved blank form prepared for the purpose. For additional information see Check.

Bank clearings. Same as bank exchanges; the items (checks, drafts, etc.) presented by banks at the clearing house for collection. It is not correct to say bank clearances; clear-

ings is the word that should be employed. For additional information see Clearing house of the associated banks of New York.

Bank credit. A credit with a bank, usually established by depositing security, on which money may be drawn by check up to an agreed amount.

Bank director. A director of a national bank or of a state bank. The title of the corresponding officer of a savings bank is trustee. It is a common practise to speak of a director of a trust company as a bank director.

The directors of a bank, like other agents, are bound to use reasonable care and diligence in protecting the interests confided to them. For a loss which is suffered despite such care they are not liable; but for any loss caused by negligence they are liable. Also see Director.

Bank draft. A draft or bill of exchange issued by a bank and payable by another bank.

Banked. Sometimes when money (or its equivalent, as checks and drafts) has been deposited in bank it is said to have been banked.

Banker. A banker has been defined as a person who takes care of other people's money and lets them have it when they want it. The distinct function of the banker begins when he uses the money of others; as long as he uses his own money he is a capitalist.

The term banker is greatly misused. Stock brokers, dealers in exchange and commercial paper, note shavers, money lenders and money changers often describe themselves as bankers. As a fact they are not bankers. Syndicate managers also often describe themselves as bankers; they are financiers perhaps, but not bankers.

Banker's bill. A bill or exchange or draft drawn and sold by a banker and payable by another banker.

Banker's draft. A draft or bill of exchange issued by a banker and payable by another banker.

Banker's exchange. Exchange (draft) on a banker; that is, exchange sold by one banker and payable by another banker.

Banker's note. A promissory note issued by a private banker for circulation as a substitute for money.

Bank examiner. A bank examiner in New York state is ap-

pointed by the Superintendent of the Banking Department, who has practically the same power over state banks that the Comptroller of the Currency has over national banks. The law says that an examiner shall "examine fully into the books, papers, and affairs of the corporation, or individual banker specified in his appointment, and report on oath to the superintendent the result of such examination. No such examiner shall be appointed receiver of any corporation or individual banker whose affairs he shall have examined pursuant to such appointment."

Also see National bank examiner.

Bank exchange. Exchange (bills of exchange—drafts) issued and sold by a bank and payable by another bank.

Bank exchanges. Same as bank clearings; the items (checks, drafts, etc.) presented at the clearing house for collection.

For additional information see Clearing house of the associated banks of New York.

Bank holiday. A secular day on which banks in Great Britain and Ireland are legally closed.

In Great Britain (excepting Scotland) and Ireland the legal or bank holidays are Easter Monday, Whit-Monday, the first Monday in August, and December 26 (Boxing day); and the banks are also closed as a matter of course on Christmas day and Good Friday. In Scotland the bank holidays are New Year's day, Christmas (if either falls on a Sunday, then the following day is a holiday), Good Friday and the first Mondays in May and August.

Banking. Banking is a business which seems to be as old as civilization. Money lenders and the payment of usury are mentioned in the Bible and in other ancient literature, but banking in its modern acceptation is by many believed to be an evolution that has been the natural outgrowth of industrial development and the establishment of civic order.

Not many centuries ago each man was in a large degree his own defender and protector. To narrow the illustration to London, for instance: To travel in safety in the streets of that city after nightfall it was necessary to go armed and in company. The carrying of valuables was an extra invitation to attack. Goldsmiths, who of necessity had to keep on hand

large stocks of the precious metals, took special precautions for the safe keeping of their property and people acquired the habit of depositing money with them, paying for the privilege in order to secure the increased protection.

Gradually the goldsmiths learned that all the people who had so deposited money did not call for it at once and they began to lend out the surplus on their own authority. They found also that if a man wanted to discharge a debt he found it more convenient to give his creditor an order for the money on deposit than to come in person and carry away the gold, imposing upon the creditor the necessity of returning the gold for deposit in his name.

Thus, the system of a transfer of credits by means of checks grew up. It was not only safer, but more convenient. In making loans, likewise, the goldsmith, now become a banker, learned merely to put the loan on his books as a credit to the borrower, against which the latter could draw his order or check precisely as if he had deposited the actual money; or the goldsmith gave his own note or promise to pay to the borrower. The latter passed it on and it became a circulating medium wherever the credit of the goldsmith was good.

Modern banking is simply a development of this system. The function of a modern bank is to accept for safe keeping and make legitimate use of the money of its customers. This money and its own paid-in capital it makes the basis of loans, on which it charges interest in accordance with the laws under which it is chartered. These loans may take the form of actual money, but as a rule they are merely credits against which the borrower is privileged to draw. They are entered on the books of the banks as "deposits." In practise these "loans" and "deposits" have been found so nearly to counterbalance each other that only a small percentage of actual money is required to transact the larger affairs of business.

In retail transactions, for the payment of employees, and in small daily affairs of life actual money is used, but for all other business the transfer of credits by means of bank checks and bills of exchange is the universal rule. In other words, banks have become the principal mechanism of exchange. To what an extent bank checks have supplemented actual money as a medium of exchange, thus making possible the wonderful busi-

ness activity of the present day, can best be judged by studying the figures of the operations of the various clearing houses and the relation which the actual money in the vaults of the banks bears to the total transactions recorded.

In addition to acting as depositories for money and negotiators of credits many banks exercise the function of note issuing. Under the national banking law any national bank may issue notes up to the amount of its paid-in capital upon depositing with the Treasurer of the United States authorized bonds of the United States equal in par value to the amount of circulating notes so issued. State banks are also authorized to issue notes, but the Federal tax of 10 per cent on state bank circulation acts as an effective prohibition on the exercise of the right.

Various plans for liberalizing the laws relating to note issues will be found under the titles *Asset currency* and *Elastic currency*.

The term *banking* is greatly misused. Stock brokers, dealers in exchange and commercial paper, note shavers, money lenders and money changers often describe themselves as engaged in banking and dignify their offices with the title *banking houses*. As a fact they are not engaged in banking and their offices are not banking houses. Syndicate managers also often describe their operations as *banking*; their operations are financing or *financiering* perhaps, but not banking.

Banking power. The banking power of a country or a community consists of the capital and deposits of its banks added together.

Bank note. A promissory note payable to bearer on demand issued by a bank under authority of law as a circulating medium.

Bank of deposit. A bank that receives deposits of money and pays out money on checks drawn against the deposits. For additional information see *Bank*.

Bank of discount. A bank which discounts (see *Discount*) promissory notes and bills of exchange. Savings banks are not banks of discount, but all national and state banks are.

Bank of England. The custodian of the public money of Great Britain and manager of the public debt. It is the great-

est monetary institution in the world, a distinction which formerly belonged to the Bank of Amsterdam. The Bank of England was incorporated in 1694 and began business January 1, 1695. Its official title is "The Governor and Company of the Bank of England." In Great Britain it is often called the "central institution."

The Bank of England conducts the banking business of the government; it receives the revenues of the government and makes disbursements for it, and it also issues exchequer and treasury bills and advances money to the government. It is also the London banks' bank; that is to say, the other banks keep on their own premises only enough of their cash for the requirements of their business and deposit the remainder with the Bank of England. The strength of the Bank of England's position is thus due to the fact that it is the bank not only of the British government but also of the other London banks and so of the whole of the London money market.

Bank of England note. A circulating note (money) issued by the Bank of England, which performs the chief note-issuing function in the United Kingdom.

Eventually the bank will possess the monopoly of note issue in England and Wales. It is permitted to issue a certain amount of notes upon government securities and it has the privilege of issuing, also on government securities, an amount equal to two-thirds of the issues of other banks in England and Wales when these go out of existence or surrender their circulation. The Bank of England may issue notes to any further amount it sees fit by providing and setting aside as backing for them an equal amount of gold coin or bullion. One-fifth of the coin or bullion held as backing for its notes may be silver coin or bullion, but as a fact silver is not used by the bank for this purpose. Silver cannot legally be tendered by the bank for the redemption of its notes.

In times of crisis when the scarcity of circulating medium causes panic the bank is allowed by Parliament to increase the number of the notes that it may issue against securities. This is done by the suspension of the Bank act, which limited the amount of the bank's circulation of notes backed only by securities. The suspension is permitted by a "Letter of license" from the government of the day, which promises that

the government will propose a bill of indemnity if the legal limit is exceeded. The Bank act was last suspended in 1866.

The bank's notes are legal tender in England and Wales, but are not legal tender in payments by the bank itself. The holders of the bank's notes are entitled to demand gold for them on presentation at the bank.

The notes of the Bank of Ireland are legal tender in Ireland. The notes of the other English, Irish and Scotch banks are not legal tender, but they constitute an important circulating medium.

For many years the lowest Bank of England note was £20. In 1759 £10 and £15 notes were issued; in 1793 the first £5 note made its appearance; in 1797 £1 and £2 notes were issued, but the issue of these last has ceased and now the smallest denomination is £5. The largest denomination issued is £1,000.

For additional information see Bank of England return.

Bank of England post-bill. What in Great Britain is designated as a bank post-bill is a promissory note (for an amount not less than £10) issued by the Bank of England, undertaking at so many (usually seven) days' sight to pay such "sole bill of exchange" to an assigned person or order. Not being payable on demand there is an interval in which payment of it may be stopped and the money saved in case the bill is lost or stolen.

Bank of England rate. The minimum rate of discount of the Bank of England.

The rate is nominally the rate at which the Bank of England itself will discount best three months' bills. It is in fact the official standard of discount. It is often called the "official minimum," for it is the minimum rate of the bank which is the official bank—the government's bank.

The rate has a direct relation to the movement of gold to and from London. For instance, the raising of the rate raises the value of money and is calculated to attract gold from foreign centres where the value of money is, for the time being at least, less. The directors of the bank often insure the effectiveness of the rate by borrowing in the money market, thus denuding it of supplies. As the raising of the bank's rate raises the

value of money so the lowering of it lowers the value of money.

Late every afternoon the bank issues a statement showing the amount of gold withdrawn from its supply for foreign shipment or received by it from abroad during the day and generally telling whither it has been sent or whence it has come.

Bank of England reserve. This does not figure by name in the weekly return (statement) of the bank, which is issued on Thursday and shows the condition of the bank at the close of business the day before. It is represented by two items in the report of the banking department (there is also an issue department), "Notes" and "Gold and silver coin."

The reserve consists of all the notes the bank has in its "till" and all the gold and silver coin it holds after it has set aside the amount of gold coin and bullion required as backing for the notes it has issued in excess of the "authorized issue." The "authorized note issue" of the bank is backed by a permanent debt of the government to the bank, designated in the return as "government debt," and by "other securities." Any issue in excess of the "authorized note issue" has to be backed by setting aside gold coin and bullion which the bank holds.

If the reserve is low and gold is going abroad the bank directors are likely to raise the bank's discount rate; if the reserve is high (large) and gold is coming in or showing no sign of going out the directors are likely to lower the rate.

There is a permanent reserve fund designated as the "rest." This fund represents the accumulated profit of the bank and is never allowed to fall below £3,000,000. The surplus over £3,000,000 at the end of each half-year is treated by the directors as the amount available for a dividend to the proprietors (stockholders) of the bank.

The Bank of England does not allow interest on deposits, partly for the reason that if it were to allow interest it would be obliged to employ its resources to a larger extent; thus the proportion between its reserve and its liabilities would be lowered and thereby its strength would be impaired. The average reserve maintained by the bank is 43 per cent—that is, its average holdings in its banking department of its own notes and gold and silver coin are equal to 43 per cent of its "public

deposits" and "other deposits" combined. The reserve is seldom allowed to fall below 30 per cent, while it sometimes rises above 50 per cent.

Bank of England rest. The rest is the accumulated profit or surplus of the Bank of England. It is never allowed to fall below £3,000,000. The dividend which is declared half-yearly is declared only out of the amount of the rest in excess of £3,000,000.

Bank of England return. This is published every Thursday and shows the condition of the bank at the close of business the day before.

It is divided into two parts, one headed "Issue department" and the other headed "Banking department." Under the heading "Issue department" there is only one debit item—"Notes issued." There are three credit items—"Government debt," "Other securities" and "Gold coin and bullion." "Notes issued" means the circulating notes (paper money) issued by the issue department of the bank. "Government debt" means a permanent debt of the government to the bank which the bank is allowed to count as backing (security) for part of the notes included in the so-called "authorized issue." "Other securities" means securities provided as backing for the remainder of the notes included in the authorized issue. "Gold coin and bullion" means gold coin and bullion set aside from the bank's holdings as backing for notes issued in excess of the authorized issue. The three credit items combined represent the total backing for notes issued by the bank. The bank has the right to issue notes in excess of the authorized issue to any amount so long as it provides backing in the shape of gold coin and bullion.

Under the heading "Banking department" the debit items are: "Proprietors' capital" (the capital stock of the bank); "Rest" (the accumulated profit of the bank); "Public deposits" (the amount of money belonging to the government on deposit with the bank); "Other deposits" (money on deposit with the bank other than that belonging to the government); "Seven days' and other bills" (promissory notes issued by the bank—see Bank of England post-bill). The credit items under the heading "Banking department" are: "Government securities" (government securities owned by the bank); "Other securi-

ties" (the bank's other investments, whether in securities, bills of exchange or advances to its customers and to the market in general); "Notes" (bank notes in the "till" of the bank); "Gold and silver coin" (gold and silver coin in the "till" of the bank).

The Bank of England return represents the condition of all the banks in London to practically the same extent that the weekly statement of the associated banks represents the condition of all the banks in New York.

The debit item "Other deposits" in the Bank of England's return represents not only the money deposited by people who bank directly with the Bank of England (which by the way is a comparatively insignificant amount), but also the money deposited by people in the other banks, for these banks in turn deposit the money with the Bank of England, which is the banks' bank. Thus, the item "Other deposits" represents, or rather reflects, the available supply of cash in the London money market. The credit item "Other securities" includes the indebtedness of the money market to the bank. It corresponds in a way to the item "Loans" in the weekly statement of the associated banks of New York for the reason that it represents the bank's advances as well as its investments in securities.

Following is the form in which the Bank of England return is made up:

Issue Department.

	£		£
Notes issued.....	50,824,615	Government debt.....	11,015,100
		Other securities.....	6,759,900
		Gold coin and bullion.....	33,049,615
	<hr/>		<hr/>
	50,824,615		50,824,615

Banking Department.

	£		£
Proprietors' capital.....	14,553,000	Government securities....	17,015,083
Rest	3,134,565	Other securities.....	25,833,973
Public deposits.....	9,124,658	Notes	21,347,245
Other deposits.....	40,007,739	Gold and silver coin.....	2,208,501
Seven days' and other bills	184,840		
	<hr/>		<hr/>
	67,004,802		67,004,802

Bank of England statement. See Bank of England return, which is the correct term.

Bank of France. An institution in Paris corresponding to the Bank of England in London.

The present Bank of France was established by the First Napoleon and began business on February 20, 1800. The governor of the bank is appointed for life and there is a general council of regents. The bank is a private institution, its shares being held by individuals, but it is under control of the state (government).

The bank has the sole privilege of issuing notes. The issuance of notes is made by direction of the council of regents, which reports to and is accountable to the government. The notes have no other security than the general assets of the bank, but the government sustains the bank when necessary with its credit. The bank protects its gold reserve by charging a premium on gold when the metal is demanded for export.

Bank of Germany. See Imperial Bank of Germany, which is the official name.

Bank of issue. A bank that has the right to issue its notes for circulation as money. For additional information see Bank.

Bank of North America. The Bank of North America in Philadelphia is the oldest existing bank in the United States. The Continental Congress of the thirteen original states granted but one bank charter, and it was a perpetual one, to the Bank of North America. The claim is made on behalf of the bank that this charter is still in force, although the bank now conducts business under the National currency act of February 20, 1863, the title of which was changed on June 20, 1874, to National bank act.

The bank began business under its original charter January 7, 1782. On March 26, 1782, the bank obtained a perpetual charter from the state of Pennsylvania and conducted its affairs under this second charter until it was repealed by the legislature three years later. Then its operations were continued under its original charter. A new but not perpetual charter was obtained from the state of Pennsylvania in 1787 and under this charter, which was renewed from time to time, the bank did business until December 3, 1864, when it

became a national banking association under the provisions of the National currency act.

Bank of the United States. There were two institutions bearing this title that acted as fiscal agents of the United States government.

The first Bank of the United States was chartered by Congress in 1791 and went into liquidation on the expiration of its charter in 1811. The second Bank of the United States was chartered by Congress in 1816; on the expiration of its national charter in 1836 it was rechartered by the legislature of Pennsylvania as the United States Bank of Pennsylvania and went into liquidation in 1841.

Also see Fiscal Bank of the United States.

Bank paper. This term is an abbreviation of bankable paper; it means commercial paper (acceptances, or in other words, bills of exchange or drafts which have been accepted and promissory notes) that is of such good quality that a bank will readily discount (buy) it. Accordingly, it also applies to commercial paper when the paper bears the indorsement of a bank. The usual manner in which a bank becomes the indorser of commercial paper is in rediscounting. First it buys (discounts) the paper and then it sells (rediscounts) it if it desires cash or if it can make a satisfactory profit by a sale. The paper brings a better price (the discount is less) with the bank's indorsement than it would bring without the bank's indorsement.

Bank post-bill. See Bank of England post-bill.

Bank rate. This term is generally applied to a discount rate in a foreign financial centre. In London it means the discount rate of the Bank of England, whereas the open market rate means the rate of other banks and bankers and bill brokers (dealers in bank and commercial paper). In Paris the bank rate is the rate of the Bank of France; in Berlin the bank rate is the rate of the Imperial Bank of Germany, and so on. In New York the term bank rate is used to distinguish the uniform rate made by the banks from the varying rates made by other lenders.

In London when the Bank of England makes a rate the other lenders adopt it if possible or sometimes even quote a higher rate, but if they find they cannot do business at it they make

a lower rate, and so it is in Paris, Berlin, etc. In New York if other lenders cannot do business at the rate adopted by the banks they make a lower one.

Bank reserve. The reserve of a bank is the amount of lawful money it holds against deposits.

The places in which national banks are situated are divided into three classes—places which are not reserve cities, reserve cities and central reserve cities. Places which are not reserve cities comprise the greater number of places, national banks in which are required to maintain a reserve of (keep on hand) 15 per cent of the amount of deposits with them, three-fifths of which reserve, however, may be deposited by them in banks in reserve or central reserve cities. National banks in places which are not reserve cities are unofficially designated as country banks.

Reserve cities are Albany, Baltimore, Boston, Brooklyn, Cincinnati, Cleveland, Columbus, Denver, Des Moines, Detroit, Houston, Indianapolis, Kansas City, Kan., Kansas City, Mo., Lincoln, Los Angeles, Louisville, Milwaukee, Minneapolis, New Orleans, Omaha, Philadelphia, Pittsburg, Portland, Ore., St. Joseph, St. Paul, San Francisco, Savannah, Washington. National banks in these cities must keep on hand 25 per cent of the amount on deposit, one-half of which may be deposited in central reserve banks.

Central reserve cities are Chicago, New York, St. Louis. National banks in these cities must keep on hand 25 per cent of their deposits.

In 1902 the Secretary of the Treasury (Leslie M. Shaw) suspended the requirement to keep a reserve against government funds on deposit in national banks upon the ground that these funds were special deposits which were fully secured by pledge of bonds with the Treasurer of the United States.

A state bank in New York state is required in a city of more than 800,000 inhabitants to keep a reserve of 15 per cent and in a place of less than 800,000 inhabitants it is required to keep a reserve of 10 per cent. This is called in the law "lawful money reserve." The requirement is the same in the case of a private bank or banker operating under the supervision of the banking department. One-half of the reserve may be deposited subject to call with any bank or trust company having a capital of

not less than \$200,000 and approved by the superintendent of banking as a depository.

A trust company is not required to keep a reserve. The New York state law requires, however, that the capital of the company shall be invested in bonds and mortgages on unencumbered real property (real estate) in the state worth at least double the amount loaned thereon or in the stocks or bonds of the state or of the United States or of any county or incorporated city of the state duly authorized by law to be issued.

A savings bank in New York state is not required to keep a reserve, the object of a savings bank being profitably to employ as fully as possible the funds entrusted to it. It may, however, keep on hand a fund not exceeding 10 per cent of its deposits. A savings bank is subject to many restrictions as to the character of its investments and the collateral on which it may loan.

For information as to the reserve of the Bank of England see *Bank of England reserve*.

Bank runner. The name applied to a messenger employed by a bank.

Bankruptcy. The state of being bankrupt or insolvent; inability to meet obligations.

A debtor in financial difficulties is privileged to make all reasonable efforts to extricate himself and to this end he may execute a mortgage or give any other lien to one furnishing him money at the time and this mortgage or lien will be sustained though the debtor should be declared a bankrupt within four months thereafter. The secured creditor must first exhaust his security and then he can come in only for a pro-rata share upon the amount left unpaid.

A payment of money by an insolvent within four months of his actual bankruptcy creates a preference like the delivery of any other property by the debtor to his creditor. The creditor thus preferred if he knew at the time of payment or had reasonable cause to believe that it was paid to him by preference can be compelled to return the money to the trustee in bankruptcy. If, however, he did not know or have reasonable ground for believing that he was being made a preferred creditor he cannot be compelled to return the money. But in such

a case he cannot collect any dividend upon any remainder of his debt unless he does return what he has received. He may retain what he has and waive all claim to the balance or he may return what he has received and be included among the other creditors for a dividend upon the whole of his debt.

When an insolvent has been discharged in bankruptcy any real estate or personal property to which he may take title thereafter is free from claims existing against him prior to the bankruptcy proceedings whether those claims had been reduced to judgments or not. The intent of the law is that a debtor shall surrender whatever property he has to be distributed among his creditors and that he shall thereby be freed from further liability for those particular debts.

A law of any state which conflicts with the national bankruptcy law is to that extent invalid.

Bank's bill or banker's bill. A bill of exchange (draft) issued by a bank or banker.

Bank statement. A statement or exhibit of the condition of banks.

In New York the bank statement is issued from the clearing house on Saturday. The consolidated statement (or as it is officially designated, the "summary of the weekly statement of the associated banks") is the collective showing by the banks belonging to the clearing house—the showing when the returns of the individual banks have been consolidated (put together).

The consolidated bank statement shows the average deposits, loans, specie, legal tenders, circulation, reserve and surplus reserve of the banks for the week ending with and including Friday.

The term deposits includes the net deposits (credit balances) of persons and concerns (designated as individual deposits), balances to the credit of other banks and all money and credits subject to withdrawal. Loans include money loaned and likewise paper (promissory notes, drafts, etc.) bought. Specie includes not only gold and silver coins, but also gold certificates and silver certificates, which are redeemable in gold or silver, as the case may be. Legal tenders as the term is used in the bank statement means United States notes (greenbacks) and

Treasury notes (notes issued for silver bullion purchased under the so-called Sherman act).

Note.—As defined by the statutes legal tenders include United States notes, Treasury notes, gold and silver coins and minor coins, but not gold certificates, nor silver certificates; see Legal tender.

Circulation means the notes issued by national banks, to secure the redemption of which government bonds have to be purchased by the banks and deposited with the Treasurer of the United States. A bank cannot count circulation in its reserve; whether it is its own circulation or the circulation of some other bank makes no difference. Reserve means the total amount of specie and legal tenders held. Surplus reserve means the amount of money held in excess of legal requirement. A national bank (in New York city) must, by law, maintain a reserve equal to 25 per cent of its deposits; a state bank must, by law, maintain a reserve of 15 per cent. In compiling the bank statement a reserve of 25 per cent is allowed or figured for state banks as well as for national banks.

The consolidated statement formerly was issued from the clearing house in the following form, the changes (increases and decreases) resulting from comparison with the preceding statement (the statement issued the week before) :

Loans	\$874,647,900	\$2,344,000	Increase.
Specie	152,338,200	1,068,300	Increase.
Legal tenders	57,274,300	1,319,000	Decrease.
Deposits	872,340,600	164,600	Increase.
Circulation	36,072,500	411,600	Increase.
Decrease of reserve \$291,850.			

The (final) item reserve in the statement as issued from the clearing house meant surplus reserve, although not specifically so stated.

In the newspapers the statement appeared as follows, being elucidated so as to show the reserve held (that is, specie and legal tenders, which are generally referred to as cash holdings), the reserve required and the surplus reserve, with the changes in these items :

	Current week.	Preceding week.	Changes.
Loans	\$874,647,900	\$872,303,700	Inc. \$2,344,200
Deposits	872,340,600	872,176,000	Inc. 164,600
Circulation	36,072,500	35,660,900	Inc. 411,400
Legal tenders	67,274,300	68,593,300	Dec. 1,319,000
Specie	152,338,200	151,269,900	Inc. 1,068,300
<hr/>			
Reserve held	\$219,612,500	\$219,863,200	Dec. \$250,700
Reserve required	218,085,150	218,044,000	Inc. 41,150
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Surplus	\$1,527,350	\$1,819,200	Dec. \$291,850

In 1902 the Secretary of the Treasury (Leslie M. Shaw) suspended the requirement to keep a reserve against government funds on deposit in national banks upon the ground that these funds were special deposits which were fully secured by pledge of bonds with the Treasurer of the United States. This action by the Secretary of the Treasury caused a change in the make up of the bank statement by the addition to it of figures showing the average amount of government funds on deposit. The consolidated statement was thereafter issued from the clearing house in the following form:

Loans	\$874,647,900	\$2,344,200	Increase.
Specie	152,338,200	1,068,300	Increase.
Legal tenders	67,274,300	1,319,000	Decrease.
*Deposits	872,340,600	164,600	Increase.
Circulation	36,072,500	411,600	Increase.
Reserve on all deposits		291,850	Decrease.
Reserve on deposits, other than United States		325,825	Decrease.

* United States deposits included, \$40,633,400.

In the newspapers the statement was made up in both the old and the new forms as follows:

	Current week.	Preceding week.	Changes.
Loans	\$874,647,900	\$872,303,700	Inc. \$2,344,200
Deposits	872,340,600	872,176,000	Inc. 164,600
Circulation	36,072,500	35,660,900	Inc. 411,400
Legal tenders	67,274,300	68,593,300	Dec. 1,319,000
Specie	152,338,200	151,269,900	Inc. 1,068,300

Reserve held	\$219,612,500	\$219,863,200	Dec. \$250,700
Reserve required	218,085,150	218,044,000	Inc. 41,150

Surplus

Deducting the United States deposits held by the banks from the aggregate deposits the bank statement compares as follows

	Current week.	Preceding week.	Changes.
Total deposits	\$872,340,600	\$872,176,000	Inc. \$164,600
United States deposits ..	40,633,400	40,769,300	Dec. 135,900

Deposits 25 per cent.	\$831,707,200	\$831,406,700	Inc. \$300,500
Reserve held	219,612,500	219,863,200	Dec. 250,700
Reserve required	207,926,800	207,851,675	Inc. 75,125

Surplus

The detailed bank statement, which is issued simultaneously with the consolidated statement, contains first the number of each bank (each bank has a number by which it is known at the clearing house) and then the name of the bank, after which follow the amounts of its capital, net profits (surplus and undivided profits), specie, legal tenders, deposits and circulation.

The bank statement is said to have been made up on rising averages when the items in it have been increasing in amount during the week; or the statement is said to have been made up on falling averages when the items in it have been decreasing in amount during the week.

Generally speaking the bank statement is favorable or good when it shows that the position of the banks has been strengthened, as by an increase in the surplus reserve through or by means of an increase in their cash holdings rather than by a decrease in their deposits, which often is effected by the calling of loans—by demanding and obtaining the payment of money loaned on call. As money loaned is credited to borrowers on their deposit accounts and increases the total deposits of the banks so the payment of loans by borrowers takes from and decreases deposits. As will be seen the calling and consequent payment of loans does not increase cash holdings but merely changes balances in individual accounts. A reduction in deposits reduces the amount of cash required to be held as a legal reserve and correspondingly expands (increases) the surplus reserve.

Generally speaking, also, the bank statement is unfavorable or if particularly unfavorable is bad when the position of the banks has been weakened, as by a decrease in the surplus reserve through a decrease in their cash holdings rather than by an increase in their deposits, which often is effected by an expansion in (increase in the amount of) their loans, which correspondingly expands (increases) their deposits and correspondingly increases the amount of cash required to be held as a legal reserve. This additional amount is deducted from and correspondingly reduces the surplus reserve.

The bank statement may be said to be favorable or good, however, if an increase in loans is reported when the banks are surfeited with money; also the bank statement may be said to be unfavorable or rather not good (but hardly bad) when it shows that money is accumulating in idleness in the banks—when deposits are increasing, not as a result of increasing loans, but in the absence of a borrowing demand for money.

There are other circumstances which make the bank statement favorable or unfavorable as disclosed in the circumstances themselves.

There is also a non-member bank statement, which is a statement of the condition of banks which are not members of the clearing house but clear through members. This statement is issued from the clearing house on Monday and shows the average condition of the banks for the week ending with and including the preceding Friday.

The non-member bank statement contains the name of each bank followed by its capital, net profits, average amount of loans and discounts and investments, average amount of specie, average amount of legal tender notes and (national) bank notes, average amount on deposit with its clearing house agent (the bank through which it clears at the clearing house), average amount on deposit with other New York city banks and trust companies, average amount of net deposits and average amount of circulation.

Bank stock. The capital stock of a bank. When the term is used indefinitely it means the capital stock of some bank, but of no bank in particular.

In London bank stock means the stock of the Bank of England.

Bar. See Gold bar; see Silver bar.

Bargain. A mutual contract, agreement or understanding between two or more parties as to something to be done, transferred or the like; or as to terms or methods.

The term bargain also means an advantageous transaction; or something bought or offered at a low price.

To bargain means to dicker; to haggle over price or terms.

On the London Stock Exchange the term employed for a transaction between two members is bargain.

Bargain chop. A term formerly used by foreign traders in China and applied to an option (see Option) on opium.

Bargain counter. In Wall Street when stocks are cheap (low in price) they are said to be on the bargain counter.

Bargain-hunter. Wall Street name for an investor who awaits his opportunity to buy in slumps or declines when prices are low (cheap)—when bargains in securities are to be obtained.

Bargain marked. London Stock Exchange term, meaning that a transaction has been recorded on the "marking board"

from which it is reproduced in the official list. See **Marking bargains**.

Barrel. The standard or commercial barrel of pork is reckoned at 200 pounds. It contains 190 pounds of fresh or green meat and the addition of brine increases the weight to 220 or 225 pounds. A barrel of flour contains 196 pounds; salt, 280 pounds; resin, 280 pounds; cured fish, 200 pounds. The number of gallons in a barrel of molasses, syrup, oil, turpentine, vinegar, wine, liquor or other liquid varies from 40 to 50.

Barren money. A term applied to money that is earning no interest.

Barter. The exchange of commodities or services; trade.

Base-metal money. Money made of metals less valuable than gold and silver. Base-metal money in the United States consists of the minor coins, the 5-cent nickel and the 1-cent bronze coins.

Base-metal token. Same as base-metal money; in the United States the base-metal tokens are the minor coins, the nickel 5-cent piece and the bronze 1-cent piece.

Basis price. A price which does not include items, sizes, qualities, etc., for which the trade usually makes an extra charge.

"B" bond. A bond in an issue divided into a series numbered alphabetically.

Bear. A speculator who works to secure or who believes in lower prices; one who sells stock short (sells stock he does not own) in expectation of buying back at a lower price. A speculative dealer in grain, cotton or any other commodity may be a bear.

A speculator may be a bear ostensibly but not a bear in fact. For instance, he may desire to acquire stock, but to do so to advantage he first depresses the price by wash orders (see **Washing**) or other devices. He actually buys (goes long) of the stock at the low price and if the stock then advances above the original price the speculator increases his profit to the extent of the decline effected by him preliminary to his actual purchases.

The French for bear is *baissier*.

Bear account. London Stock Exchange term; means the interest in the market which has sold stocks that it does not

own and does not mean to deliver and is waiting for a fall in order to buy them back for less than the price that they were sold for. The term is also applied to the volume of commitments open on the bear (short) side. For additional information see Account, The.

Bear dance. A colloquial term applied when bears in stocks are compelled to cover or are frightened into covering their shorts at a loss—when they buy back stocks at prices higher than those at which they sold them.

Bearer. The holder; the person who is in possession, as the person who is in possession of a check, bill (bill of exchange) or promissory note that is payable to bearer.

Bearing the market. A speculative designation of the act of forcing down prices.

Bear market. A speculative term which signifies a declining market; in other words, that the tendency of prices is downward.

Bear of stocks. London Stock Exchange term equivalent to the New York Stock Exchange expression short of stocks, which means one who has sold stocks that he did not own in expectation of buying them back at a lower price than that at which he sold them.

Bear panic. Said when bears in stocks are frightened into covering their shorts at a loss, or in other words, into buying back at a loss (at higher prices) the stocks they had sold short; see Short.

Below par. When the market price is below the par or face value; see Par.

Best paper. Bills of exchange (drafts) and promissory notes of superior quality; specifically, bank paper; see Bank paper.

Betterment. Improvement beyond mere repair; in the case of a railroad improvement of the physical condition of the property.

Better price. A higher price than the price previously obtained or quoted.

Between banks. This term is applied to a transaction in domestic exchange between two banks.

In some of the less important cities clearing house balances are settled, not by cash, but by checks drawn by the manager

of the clearing house against debtor banks and in favor of creditor banks. The checks may be paid in cash or in cashier's checks which are presented at the clearing house next day or they may be paid in exchange on New York (or some other financial centre). If the creditor bank wishes to increase its balance with the bank which acts as its correspondent in New York it may prefer exchange on New York and may pay a premium for the privilege of receiving it instead of cash or a cashier's check. On the other hand, if its balance with the New York bank is excessive it may accept exchange on New York only at a discount.

It is a transaction between banks, likewise, if a bank in a certain place, in Chicago, for instance, wishes to remit to, say, New York and buys a draft on New York from another bank in Chicago.

Beyond sea trade. Said of trade with a country beyond an intervening sea, as the shipping of grain to a country across an ocean.

Bid and asked. The bid price is the amount which one who desires to buy offers for a thing; the asked price is the amount which one who desires to sell asks for a thing.

In dealings on the New York Stock Exchange bids and offers made and accepted in accordance with these rules are binding:

All offers to buy or sell securities shall be for 100 shares of stock or for \$10,000 par value of bonds unless otherwise stated. Offers to buy or sell specific amounts other than as above stated may be made at the same time and may be independently accepted.

Bids and offers may be made only as follows:

Cash (for delivery on the day of contract); regular way (for delivery on the business day following the contract); at 3 days (for delivery on the third day following the contract); buyer's or seller's option for not less than 4 days nor more than 60 days.

Bids and offers under each of these specifications may be made simultaneously as being essentially different propositions and may be separately accepted without precedence of one over the other.

Bids and offers without stated conditions are considered to be in the regular way.

In offers to buy on seller's option or to sell on buyer's option the longest option has precedence. In offers to buy on buyer's option or to sell on seller's option the shortest option has precedence.

On the New York Stock Exchange the first offer to buy or sell must be accepted before a subsequent offer at the same figure has standing. A subsequent offer to buy at a higher or to sell at a lower price vacates the previous offer to buy or sell. A transaction vacates both the previous bid and offer.

Bid and asked quotations. The bid and asked quotations for stocks dealt in on the New York Stock Exchange are those printed by the ticker on the tape after the close of business on the exchange and while nominal are as nearly the actual prices offered for and asked for stocks as are possible to obtain. They are furnished by the specialists in the different stocks—the brokers who make a specialty of executing orders in those stocks.

The bid and asked quotations are the only gage to the market value of stocks infrequently dealt in, especially those in which one or more days have elapsed between transactions.

Bid and offer. See Bid and asked.

Bidding up. Making bids for the purchase of stocks (or commodities) at prices higher than actual market prices.

Bid in. Said when property at public vendue (auction) is bid for and bought by parties in interest because a high enough price has not been offered for it.

Again, the term bid in applies when at a foreclosure sale the property is bought for parties in interest. In the sale at foreclosure of a railroad the road may be and generally is bid in in the interest of the security holders.

Bill. This term applies to a bill of exchange (draft) or to a promissory note or any document requiring payment.

Also, a bill is a statement of an account or of money due; a paper setting forth the particulars and amount of a debt.

Bill at sight. A bill of exchange (draft) payable on presentation, except where grace is allowed by law on a sight bill (bill at sight). A demand bill is generally construed as a bill that is payable absolutely on presentation, although in some

states and countries grace is allowed by law on a demand bill as well as on a sight bill.

Bill-book. A book used in a bank in which is kept a record of promissory notes, bills of exchange (drafts), etc.

Bill broker. An English term; same as bill merchant; one who negotiates the discounting of promissory notes, bills of exchange, etc., or who buys and sells them for his own profit. The name bill broker does not apply to a dealer in foreign exchange.

Bill case. This term is used more as a figure of speech than anything else. When it is said that a bank's bill case is full it is meant that it has a large stock (supply) of bills—promissory notes and bills of exchange (drafts); when it is said that a bank's bill case is empty it means that it has no bills on hand. As a fact most banks keep their bills in a portfolio.

Bill discounted. This term is generally accepted as meaning a note discounted, but it may mean a draft discounted.

Bill for acceptance. The name given to a bill of exchange (draft) which is to be presented to the drawee (the one upon whom it is drawn) for acceptance by him, which consists in his writing on the face of the bill the word "Accepted," which is equivalent to a promise to pay it when it becomes due. (Also see Bill for payment). When accompanied by documents a bill for acceptance is called a documentary bill for acceptance, or for short, a document for acceptance.

A bill for acceptance may be either a domestic or a foreign bill. A merchant in Chicago, for instance, may be indebted to a merchant in New York. Payment, however, is not to be made until some time in the future. The New York merchant draws on the Chicago merchant for the amount of the indebtedness and forwards the draft for acceptance by the Chicago merchant, or he may sell the bill (draft) to a bank or a dealer in exchange, who will forward it for acceptance.

Again, a merchant in London may be indebted to a merchant in New York. The New York merchant draws on the London merchant and forwards the draft for acceptance by the London merchant, or he may sell the bill (draft) to a dealer in foreign exchange, who will forward it for acceptance.

Bill for payment. The name given to a bill of exchange (draft) which is to be presented for payment (for collection),

as distinguished from a bill for acceptance (see Bill for acceptance). When accompanied by documents a bill for payment is called a documentary bill for payment, or for short, a document for payment.

A bill for payment may be either a domestic or a foreign bill. A merchant in Chicago, for instance, may be indebted to a merchant in New York. The New York merchant draws on the Chicago merchant for the amount of the indebtedness and deposits the draft in his bank, which forwards it to Chicago for payment (for collection from the Chicago merchant), or he may sell the bill (draft) to a bank or a dealer in exchange, who will forward it for payment (collection).

Again, a merchant in London may be indebted to a merchant in New York. The New York merchant draws on the London merchant for the amount of the indebtedness and forwards the draft to London for payment (for collection from the London merchant), or he may sell the bill to a dealer in foreign exchange, who will forward it for payment (collection).

Bill merchant. An English term; same as bill broker; one who negotiates the discounting of promissory notes, bills of exchange, etc., or who buys and sells them for his own profit. The name bill merchant does not apply to a dealer in foreign exchange.

Bill of adventure. A written statement or declaration by a shipper or carrier that the shipment is the venture of another person and that the shipper or carrier is responsible for nothing but delivery as consigned.

Bill of credit. A written request to the one to whom it is addressed to give credit to the bearer on the voucher or security of the writer.

Bill of exchange. A written order or request from one person to another for the payment of money to a third, the amount to be charged to the drawer (issuer) of the bill.

There is practically no difference between a bill of exchange and a draft. The term bill of exchange, however, is commonly applied to an order for money payable in a foreign country, whereas the term draft is applied to an order payable within the country of its origin.

A check dated ahead is usually regarded as a bill of exchange rather than a check.

It is a common practise to speak of a bill of exchange (draft) issued by a bank or banker as a check when it is payable at sight or on demand.

A bill of exchange payable at a future date becomes in fact a note upon its acceptance by the drawee—the one upon whom it is drawn.

If the amount stated in words and the amount stated in figures in a bill of exchange do not agree the words govern.

Bills of exchange constitute the most important circulating medium. The wholesale transactions of the world are effected by bills of exchange, which are not limited like bank notes to the country of their origin.

When commercial bills of exchange are accompanied by, that is, secured by bills of lading or warehouse receipts or by other documents they are of a superior nature. They command a lower rate of discount, or in other words, bring a better price than bills not secured. In a stringent money market they are salable when other bills are refused. Bills not secured by property are loans on personal security.

For additional information see Domestic exchange; also see Foreign exchange. Also see Draft; also see Negotiable instrument.

Bill of lading. A written acknowledgement by a railroad, steamship company or other carrier of the receipt of goods for transportation.

Bill of sale. A document given as security for a debt wherein the debtor transfers to the creditor the right to property specified in the bill, which property may be seized and disposed of by the creditor upon the non-fulfilment of the obligation by the debtor.

Billon. An alloy of gold or silver with a base metal, as copper or tin; specifically, an alloy of silver with a large proportion of copper in coins, tokens or medals.

Bill payable. The name given to a bill of exchange (draft), promissory note or other written engagement to pay money by the person who must pay it.

Bill receivable. A written evidence of debt that is payable to the holder; a promissory note or an acceptance (a bill of

exchange that has been accepted) is in the hands of a person to whom it is payable a bill receivable.

A bill receivable that is included under the head commercial paper is a promissory note that has been received for goods sold and that has in order to effect its discount (sale) been indorsed by the party who received it.

Bill rendered. A statement presented by a creditor to his debtor of an account or of money due; a paper presented setting forth the particulars and amount of a debt.

Also see Account rendered.

Bimetalism. The free and unlimited coinage (at an established ratio) of both gold and silver into coins of full debt-paying power; not the mere use of the double standard, but the existence of mints open for the coinage of both metals on terms of defined equality.

Bimetallic standard. Exists when the basis of values is gold and silver at an established ratio.

The mere possession by a country of the bimetallic or double standard is not the same thing as bimetalism, an essential feature of which is a mint open to the coinage of any quantity of either gold or silver that may be brought to it.

Bit. A name applied in the Southern and Western states to the old Spanish real, which used to circulate in those states and was worth nominally 12 1-2 cents.

Bituminous coal. Commonly called soft coal; mineral coal, containing 30 to 50 per cent of volatile matter; designated as coking coal when used for the production of coke, furnace coal when suited for use in a blast-furnace and cannel coal when rich in gas with low heating power. Bituminous coal is found in many parts of the United States.

Black book. In financial vernacular when a person has lost his credit, as by failure to meet his financial obligations, he is said to be in the black book or on the black list. The black book or black list is a private book kept by a bank or other financial institution containing (a list of) the names of discredited borrowers of money.

Black Friday. Friday, September 24, 1869. At that time gold was subject to considerable fluctuation in value and it was bought and sold the same as stocks.

Jay Gould, then the president of the Erie Railroad and a

daring speculator, conceived the idea of buying up all the gold in the market and compelling those who had sold it short to buy of him at a greatly increased price when their contracts should mature. He associated others with him in the scheme and put it in operation. He forced the price up from 133 to 162 in about twenty days. The high price was reached on Black Friday. The greater part of the increase in price was accomplished on that day and the day preceding.

On Black Friday the Gold Bank, through which the transactions in the Gold Room were cleared, failed and the governing committee of the Gold Room at once ordered a suspension of dealings in gold for one week. More than half the members of the Gold Room failed. The corner in gold collapsed and the price of gold immediately fell.

The attempt of Mr. Gould and his associates to corner gold was based on the fact that the United States Treasury had discontinued the sale of gold, which was calculated to place and maintain a premium on it. Indeed, the purpose of discontinuing its sale was to establish, not a moderate, but a considerable premium on it. The balance of international trade at the time was heavily against the United States and in favor of Europe. It was thought and it was urged by exporters and importers of products and manufactures alike that a high premium on gold would force the exportation of United States products, which would serve to discharge obligations of the United States to Europe and thereby obviate the necessity of sending gold to Europe.

Mr. Gould and his associates counted on a continuance of the new rule of the Treasury not to sell gold, but when the corner was in effect and the great increase in the premium on gold had been accomplished by the speculative coterie in it there was a widespread appeal to the Secretary of the Treasury to resume sales of gold. The appeal was acceded to and the corner in gold collapsed with the disastrous consequences already recounted.

There are two Black Fridays in British financial history. On a Friday early in December, 1745, London heard that the young pretender, Charles Edward Louis Philip Cassimer Stuart, was at Derby, only 120 miles from London, with his invading force. A panic ensued with an accompanying run

on the Bank of England, but it was stopped by the sending of a force under the Duke of Cumberland to meet Charles Edward and his followers.

The second Black Friday in London was May 11, 1866, when there was a panic with a run on the banks as a consequence of the announcement late in the afternoon of the day before of the failure of the great discount house of Overend, Gurney & Co., Limited, which had only a year before been converted from a private concern into a joint-stock company.

Black list. In financial vernacular when a person has lost his credit, as by failure to meet his financial obligations, he is said to be on the black list or in the black book. The black list or black book is a private book kept by a bank or other financial institution containing (a list of) the names of discredited borrowers of money.

Bland bill. The bill introduced in the House of Representatives by Mr. Bland providing for the coinage of silver on the same terms as gold (for the free coinage of silver) at the ratio of 16 to 1. At the commercial (market) price of silver the ratio at the time was 18 to 1.

The bill was amended in the Senate by Mr. Allison and became a law on February 28, 1878, by being passed over the veto of President Hayes. As amended it provided for the purchase by the government of not less than \$2,000,000 worth nor more than \$4,000,000 worth of silver bullion each month and the coining of it into silver dollars, these to be legal tender. The Bland bill thus became the Bland-Allison act. It was superseded by the Sherman act, which see.

Bland dollar. A name sometimes applied to the standard silver dollar issued under the Bland-Allison act. For additional information see Bland bill.

Blank certificate. The term applied to a certificate of stock or a registered bond signed (assigned) in blank; see Assigned in blank.

Blank credit. Permission to draw up to a given amount upon a firm or individual.

Blanket mortgage. A colloquial name for a mortgage covering everything; a general mortgage.

Blank indorsement. A blank indorsement on a check, bill of exchange (draft), promissory note or other negotiable instru-

ment or paper is when the paper is not transferred specifically to a new holder, but when the name of the payee (the holder; that is, the owner of the paper) is written alone (by itself) on the back of the paper. Thus, ownership is transferred to any one who may be in possession of the paper.

Blank transfer. An English term which is equivalent to assigned in blank, or to use the commoner expression, signed in blank. For additional information see Assigned in blank.

Blind figure. A bookkeeping and accounting term; a figure so carelessly or indistinctly written that it may be taken for another figure as a 2 for a 7 or a 3 for an 8 or a 7 for a 9, etc.

Blind pool. Said when several persons contribute capital to a pool (mutual fund) only the manager of which knows in what way the money is to be used. The purpose of a blind pool is to insure secrecy.

A speculative blind pool is not uncommon. The operations of a blind pool in the stock market, for instance, may be confined to a single stock or it may be extended to several stocks. There may be a blind pool in a scheme of almost any nature.

Block. The term applied to a large number of shares of stock, as 5,000 or 10,000 shares; or a large amount of bonds, as \$500,000 or \$1,000,000.

Blotter. In bookkeeping the blotter is the first record book.

Blue list. A list (shorter than the red list) of the stocks most actively dealt in on the New York Stock Exchange printed on blue paper daily. The high, low and last prices are given together with the number of shares of each stock dealt in.

Blue note. This is a term sometimes applied to the note given when a loan on call is obtained. The note is so called because it is frequently printed on blue paper to make it easily distinguishable from a note given for a time loan, which is almost invariably printed on white paper.

Blue pup money. The slang name applied to the notes or circulating medium (substitute for money) formerly issued by plank road companies—companies which constructed and maintained plank roads and collected toll from persons who used the roads in travel or traffic. The notes so issued were in small denominations, mostly for fractional amounts, and were ostensibly for use in paying toll, but they freely passed current

as money in the sections where they originated. They are said to have first been issued in Indiana. They were called blue pup money to distinguish them from red dog money, which name was given to notes of another kind and of larger denominations; see *Red dog money*.

BNK. As printed on the tape by the stock ticker these letters mean bank.

Board. It is a common habit for members of the New York Stock Exchange, and in fact of any exchange, to speak of the exchange as the board. The expression "on the board" means on the exchange.

The name may have been and very likely was derived from an earlier title of the New York Stock Exchange—"New York Stock and Exchange Board."

The largest speculative dealings in grain and provisions in the United States are conducted by a body officially designated as a board—the Chicago Board of Trade.

The term board is also applied to the board in a broker's office on which quotations are posted.

The term board is also applied to the printed lists of transactions in detail on the New York Stock Exchange; see *Stock lists*.

Board of directors. The governing body of an incorporated company.

The word directorate is sometimes used in place of the longer term board of directors; sometimes, also, the word directory is used in place of board of directors.

For additional information see *Director*.

Board of trade. A title often adopted by an organization formed to promote mercantile or commercial interests.

It also is a title sometimes bestowed on an exchange or trading organization, as the Chicago Board of Trade, the members of which conduct speculative operations in grain and provisions on an extensive scale.

The British Board of Trade is a department or bureau of the government which compiles and publishes returns as to exports and imports, returns as to railway traffic, and labor statistics. When British Board of Trade returns are referred to without particularization they are taken as meaning the exports and imports of the United Kingdom. These particular

figures are published on the 7th of each month. Railway traffic returns (gross) are published in the first half of every week. Labor statistics are published monthly.

Board room. The name by which the trading room of an exchange often is designated.

Boatload. As used in the grain trade this term refers to a canal boatload. An Erie canal boat has an average capacity of 8,000 bushels of grain. Also see Cargo.

Bob. An English colloquialism for a shilling, equal to 24.3 cents.

Bobtail pool. A Wall Street colloquialism. The term is applied to an informal pool in a stock. For instance, four or five speculators may agree to buy (if it is a bull pool) 1,000 or 2,000 or 5,000 shares each of a certain stock in expectation of an advance in the price and to stimulate an advance in the price and each usually is allowed to suit his pleasure in selling his stock.

In a formal pool the members appoint a manager who buys the stock for the account of all and likewise sells the stock for the account of all. The individual members have no hand in either buying or selling.

There are bear pools as well as bull pools. In a bear pool the stock is sold short in expectation of and for the purpose of facilitating a decline in the price. When the price has declined the stock is bought.

Boerse. The German spelling of bourse; see Bourse.

Bona fide. In good faith. For instance, a bona fide bid for a stock is a bid in good faith.

Bonanza. A colloquialism, meaning a rich mine or vein or find of ore. The term is also applied to a highly profitable investment or speculation.

Bond. A certificate of obligation to pay money secured by mortgage or otherwise. A bond issued by a corporation (or by a municipality or government) is an interest-bearing debt certificate.

The securities issued by a government are generally designated as bonds instead of stock. The securities issued by the United States government are designated as bonds, although formerly known as stock. Some of the securities issued by the city of New York are designated as stock; but municipali-

ties as a rule designate their securities as bonds instead of stock.

A coupon bond (as distinguished from a registered coupon bond) is one both interest and principal of which are payable to bearer. A registered coupon bond is one which bears the name of the owner and his name also is registered (recorded) on the books of the company issuing it, but the interest is payable to the bearer—to the holder of the coupon, detachable from the bond, which calls for the payment of an instalment of interest when it has become due. A registered bond (not registered coupon bond) is one bearing the name of the owner. The name of the owner also is registered (recorded) on the books of the company issuing it and the interest payments are made by checks forwarded to the address of the owner.

A gold bond is one specifically payable, both interest and principal, in gold coin; a currency bond is one payable, both interest and principal, in any kind of money that is legal tender; a guaranteed bond is one the payment of the interest and principal of which is guaranteed by a company or institution other than the one which issued it (sometimes only the payment of the interest is guaranteed). A large bond is a single bond for \$10,000; a small bond is a bond for less than \$500. A long bond is a bond that runs for many years; a short bond is a bond that runs for a few years. A secured or backed bond is a bond that is secured by pledge of property; a plain bond is a bond that is not secured by pledge of property (it is an unsecured debenture bond and is merely a promise to pay—a promissory note).

It is a common practise to designate bonds by the rates of interest they bear, as 3 1-2s, 4s or 5s.

Railroad bonds are usually described as prior-lien bonds, first mortgage bonds, general (or "blanket") mortgage bonds, consolidated mortgage bonds, second mortgage bonds, equipment bonds, land grant bonds, sinking fund bonds, collateral trust bonds, adjustment bonds, debenture bonds, participating bonds, income bonds, convertible bonds.

The chief features of these bonds are as follows: Prior-lien bonds are a lien ahead of all other bonds, but ordinarily cover or represent only a small part of the value of the whole property; first mortgage bonds are issued under a mortgage which

is first in lien, or in other words, takes precedence of mortgages subsequently created (sometimes there is a lien—a prior lien—ahead of a first mortgage); general (or “blanket”) mortgage bonds are issued under a mortgage which is a first lien on everything not already mortgaged; consolidated mortgage bonds are issued under a mortgage which has superseded two or more other mortgages; second mortgage bonds are issued under a mortgage which is a second lien or a lien after the first lien; equipment bonds are secured by mortgage on equipment; land grant bonds are based on grants of land and are retired by the proceeds of the sales of land; sinking fund bonds are bonds for the redemption of which a sinking fund is established; collateral trust bonds are secured by pledge of collateral (stocks and bonds); adjustment bonds are as a rule issued to pay for improvements and generally rank as second mortgage bonds; debenture bonds are promissory notes in the form of bonds; participating bonds are debt certificates which receive interest at a varying rate as permitted by revenues; income bonds receive interest, if earned, before dividends can be paid on stock of the company issuing them (practically preferred stock); convertible bonds are bonds which are convertible into (exchangeable for) stock.

The term bond also applies to an obligation in writing and under seal in which a person binds himself to pay to another a certain sum of money at a specified time.

Also, to bond means to put under pledge or under forfeit in a penal sum.

Also see *In bond*.

Bond broker. One who makes a specialty of dealing in bonds.

Bond call. The act of calling off at an exchange or trading place the list of bonds dealt in there. As the names of the bonds are called the buyers and sellers make their bids and offers.

Bond creditor. A creditor whose claim is secured to him by a bond.

Bonded. Secured by a pledge of property or some other form of guaranty.

A railroad is bonded for, say, \$50,000,000 when its property has been mortgaged as security for an indebtedness of that

amount and bonds have been issued under the mortgage to represent the indebtedness.

Also see *In bond*.

Bonded debt. A debt to represent which bonds have been issued.

Bondholder. One holding or owning bonds, as government bonds or railroad bonds.

Bond of indemnity. A written instrument guaranteeing protection against loss.

Bond power. The name given to the irrevocable power of attorney used in assigning or transferring title to a registered bond.

Bonds borrowed and loaned. The practise in borrowing and lending bonds is the same as in borrowing and lending stocks. For information see *Borrowing and lending stocks*.

Bond to bearer. English term for a coupon bond—that is, a bond not registered in the name of the owner on the books of the company or government issuing it, but transferable like money by merely passing from one to another, the interest payments being represented by coupons which are detachable and payable to bearer.

Bonus. A premium or gratuity; something given free in addition to what is usual or stipulated.

It is not an infrequent practise on the organization of a stock company to give to purchasers of the preferred stock as a bonus that is, without charge, a certain percentage (perhaps an equal amount) of common stock. Sometimes when a company issues bonds it gives to purchasers a bonus in stock.

In Great Britain when an extra dividend or dividend in excess of the regular dividend is declared it is called a bonus.

Book debt. An overdue account; usually rated as good, doubtful or bad.

Booked. Entered in a book; recorded. When, for instance, an order is said to have been booked it is meant that it has been recorded.

Book of account. A book in which entries of commercial transactions are kept.

Books close. Relates to transfer books for stocks.

On an advertised day prior to the payment of a dividend on a stock the transfer books close and the stockholders then of

record receive the dividend. On and after the day the books close the stock sells *ex-dividend* or without the dividend.

The transfer books also are closed on an advertised day prior to an election or other stockholders' meeting and only stockholders then of record can vote at that election or meeting.

A contract in a stock falling due during the regular closing of the transfer books of the company is settled at maturity by the delivery of a certificate and power of attorney; on a contract which is at the option of the buyer or of the seller notice for settlement may be given as if the books were open. In case the books are closed for a dividend the party entitled to it receives a due bill for it.

Also see *Books open*.

Books open. Only when the transfer books of a company are open can the ownership of securities be changed in the record; in other words, in the interval between the closing and the opening of books stocks cannot be transferred on the books.

Also see *Books close*.

Book value. The book value of a stock is based on the net profits or deficit of the corporation which issued it. It is a frequent practise in quoting bank stocks to give book values as well as market prices.

Illustration: If a bank has net profits (accumulated surplus and undivided profits) equal to 75 per cent on the stock then the book value of the stock is the original amount of the stock, 100 per cent, plus the equivalent in net profits, 75 per cent, or altogether 175. On the other hand, if the bank shows no net profits, but instead shows a deficiency equal to, say, 5 per cent on the stock the book value of the stock is only 95.

The book value of the stock of a railroad or manufacturing company is ascertained in the same manner as the book value of the stock of a bank.

Boom. A colloquialism, meaning a rush of business accompanied by a quick inflation of values.

Boot money. Money given as an extra compensation by one of the parties in an exchange of property; it is said in such a case that so much was given to boot, meaning into the bargain.

Borrowed stock. Stock the use of which is borrowed for the

purpose of making delivery on a short contract. For information see *Borrowing and lending stocks*.

Borrowing and lending stocks. When a speculator sells stock which he does not possess (when he sells it short) he (or what is the same thing, the broker who acts for him) has to borrow the stock to make delivery to the purchaser. The one who possesses stock (who is long of it) is in ordinary circumstances as anxious to lend it as the one who has sold it short is anxious to borrow it.

The lender of stock receives from the borrower the market value of it in money, but except when the stock is lending flat (without interest) or at a premium the lender of the stock pays to the borrower of it interest on the money paid for the stock by the borrower. The rate of interest is determined by bid and offer.

On the New York Stock Exchange brokers who have stocks to borrow and brokers who have stocks to lend assemble immediately after the close of business on the exchange and those who need stocks borrow amounts necessary to make deliveries the next day. Those who neglect to borrow at this time must do so the next morning or some time in the day before the delivery hour, 2.15 p. m. There is no loan crowd in the morning, but borrowers seek lenders at the posts on the floor of the exchange around which the particular stocks that they require are dealt in.

The same rules govern the receipt and delivery of stocks borrowed and loaned as govern stocks bought and sold. In returning borrowed stock the borrower must notify the lender before 1 o'clock on the day of delivery; the lender in calling or demanding the return of stock must do likewise.

When a stock is loaned flat the owner is relieved from the cost of carrying the stock. If loaned at a premium he is still better off, for the premium is so much gain. When a stock is loaned at a premium the premium applies in the absence of a renewal of the loan only to the day on which the stock is loaned.

If a stock that has been borrowed advances in market price the lender may require the borrower to pay to him the difference between the price at which the stock was loaned and the new higher price. On the other hand, if the stock declines in

price the borrower may require the lender of the stock to return to him the difference between the price at which the stock was borrowed and the new lower price. These differences are called market differences.

When a corner is being worked up in a stock it is the practise of those engineering it freely to loan the stock in order to encourage the creation of a short interest in it. When this short interest has become large enough, or in other words, when the stock has become sufficiently oversold a demand for the return of the stock brings the corner to a culmination.

An apparent borrowing demand for stocks is sometimes created by the efforts of money lenders to obtain higher interest on their money than is obtainable in lending it in the money market. If the lending rate for a particular stock is, say, 6 per cent when money is lending at 4 1-2 per cent in the money market the money lenders will borrow the stock in order to obtain the extra interest.

When a seller of long stock (stock actually owned) desires to create the impression that he is selling short stock (stock not owned or possessed) he has his broker borrow stock for delivery to purchasers. Then when he has completed his sales he delivers his own stock to the ones from whom his broker borrowed.

Also, when a seller of stock desires to conceal his identity he has his stock transferred or made out in the name of his broker or a clerk or some other person previous to its delivery to purchasers.

Arbitrage dealers (see Arbitrage) often sell stock held abroad which will not be received for some time. They borrow for delivery to purchasers and when their own stock arrives they make return to the ones from whom they borrowed.

Corporations intending to issue new stock have been known to sell the stock in advance of its issuance and to borrow to make delivery to purchasers. Then when the new stock was issued it was used to make return to the ones from whom stock had been borrowed.

Bottomry. A maritime contract whereby the owner of a vessel (or its master if in a foreign port) borrows money at maritime interest to enable him to make or complete a voyage,

pledging or mortgaging the vessel as security without making himself personally liable in case of the loss of the vessel.

Bought back. See Buying back.

Bought in. See Buying in.

Bought note. A memorandum of purchase delivered by a merchandise broker to the buyer of goods for whom the broker acted.

Bought outright. See Buying outright.

Bounty. A grant or allowance from a state or government for the encouragement of a trade or industry is a bounty.

Bourse. The name for a stock exchange on the Continent of Europe.

The Paris Bourse may be visited by all and merchants, manufacturers and others transact business there at certain hours of the day. There are, however, only seventy official members or agents de change who deal in stocks and bonds. They are approved by the Minister of Finance. They stand in a small enclosure in the centre of the bourse called the *parquet*. For additional information see Paris Bourse.

The Berlin Bourse is under government supervision. The sworn agents de change on the bourse deal principally in government securities, while the ordinary brokers or agents de change deal in railroad, mining and general stocks. Bankers, brokers and merchants are admitted to the bourse on payment of an annual but varying subscription.

The Vienna Bourse is under control of the government and business is carried on only by sworn agents de change, who are nominated by the government after paying an annual subscription and a fixed sum as an entrance fee.

The German spelling of bourse is *boerse*.

Boxing day. A legal holiday in Great Britain (excepting Scotland) and Ireland; the first week day after Christmas, on which Christmas boxes are given to errand-boys, letter-carriers, etc.

Bradstreet's. The name of one of the commercial agencies.

Branch bank. A national bank—that is, a bank organized under the National bank act—is not permitted to establish branches. To some extent, however, the same end is accomplished by acquiring control of other banks. These controlled banks serve as and practically are branches of the controlling

or main bank. Their funds beyond the percentage of their deposits that they are required by law to hold in cash as a reserve are deposited with the main bank.

In the banking systems of most countries the requirement as to bank capital is much higher than in the United States, but the banks are allowed to establish branches, thus being able to do business in many places, the branch banks answering the purpose for which banks with small capital are organized in this country. There are many advocates of the branch bank system who would have it adopted in the national banking system of this country, but popular sentiment has remained strongly opposed to such a change.

The advantages of branch banks may be illustrated by the case of the Bank of Montreal in Canada, which receives deposits, for instance, at its branches in the farming regions of Nova Scotia where the demand for money is slight and lends the funds at its branches in British Columbia where business is active and the demand for money large. The business inactivity of the Nova Scotia regions referred to would render small local banks unprofitable, so that accumulated savings would remain scattered in individual hands, earning no interest and performing no useful economic function. On the other hand, British Columbia would offer no possibility for the establishment of large local banks that could supply the funds needed for business purposes for the reason that there is no accumulated capital to supply the banks with deposits in sufficient amount.

Against these considerations it is urged that the system of large banks with many branches tends toward monopoly and the restraint of individual enterprise in banking and that the system of many small banks operated under the National bank act has worked so successfully in this country that it should not be interfered with.

Branch line. A line of railroad that is tributary to the main line.

Breadstuffs. Under this head in the country's exports come grain, meal, bran, middlings, mill feed, dried grains, malt sprouts, flour, bread and biscuits.

Break. An abrupt fall in prices, as in stocks or in grain, cotton, coffee, etc.

Breaking even. A colloquialism; when a trade has been concluded without profit or loss the speculator is said to have broken even.

Brocage. (Obsolete). The trade or occupation of a broker or the commission paid to him for his service; now called *brokerage*.

Broken lot. A term sometimes used in dealings in bonds, meaning less than \$10,000; in stocks the term used is fractional lot or odd lot (less than 100 shares).

Broker. One who executes orders for the purchase or sale of stocks or other property; an agent.

A broker cannot bind his customer without his express agreement by transacting business committed to him in any other than the ordinary and customary method.

On the London Stock Exchange the broker is merely the middleman between the public and the jobbers. He acts as agent for the outside public, while a jobber buys and sells from or to the broker and covers himself by a purchase or sale with another jobber or broker.

About one-third of the entire membership of the London Stock Exchange consists of jobbers; one-third of brokers, and one-third of clerks. No member can act in the double capacity of jobber and broker and there can be no partnership between the two classes nor with any person who is not a member of the exchange.

Authorized clerks, so-called, are admitted to the exchange, with power to deal and bind their principals. Unauthorized clerks, so-called, also are admitted, but have authority only to assist their employers by checking bargains and carrying out the routine work of the settlement.

A person may be a member of the exchange and not be a shareholder. To become a shareholder one must be a member of the exchange, although this was not formerly the case.

An agent de change (member of the bourse) in Paris is forbidden to trade on his own account.

Brokerage. Buying and selling for others. The fee or commission charged for transacting such business is also called *brokerage*.

Brokers' market. When the large operators and the outside public are not engaged in speculation and the brokers are

trading for their own account it is said to be a brokers' market.

"B" stock. This is the English designation for preferred ordinary (common) stock. When for dividend purposes the ordinary stock of a company has been divided into two parts called preferred or "B" stock and deferred or "A" stock the dividend on the A stock is deferred until a fixed amount has been paid on the B stock.

This B or preferred stock is not the same as preferred stock in the United States. What in the United States is called preferred stock is in Great Britain called preference stock and preference stock in Great Britain may be divided into two or more classes called first preference, second preference, etc., just as preferred stock in the United States may be divided into two or more classes called first preferred, second preferred, etc. When, however, there is but one class of preference stock ahead of an ordinary stock in Great Britain the B or preferred stock is equivalent to second preferred stock in the United States.

The letter B is also used to distinguish one stock from another without the connotation of "preferred." Costa Rica B bonds and Mexican National Railroad B bonds are examples of this use.

Bubble. A scheme which is illusory is said to be a bubble. The term bubble also is sometimes applied to a fraudulent scheme.

For accounts of two "bubbles" famous in financial history see Mississippi Company and South Sea bubble.

Bubble act. An act of the British Parliament passed in 1720 to prevent fraudulent speculative schemes; repealed in 1825.

Bucketing. As distinguished from the manner in which a bucket shop operates (see Bucket shop) bucketing of stocks consists in sales by a broker (for his own account and risk) against customers' purchases or purchases by the broker against customers' sales.

Such a proceeding if not illegitimate is at least considered irregular. The purpose may be to avoid the employment of money in carrying (holding) stocks, but more often the purpose of the broker is to speculate against his customers—or, in speculative vernacular, to take the other end or other side of

the customers' trades. In either case the broker wins if his customers lose or he loses if his customers win.

As an example of bucketing, if a broker's customer buys 100 shares of stock at, say, 100 the broker sells 100 shares at the same price. A cross trade is thus made by the broker; the transactions balance and the broker has not to pay out and lock up for an indefinite period the money representing the cost of the stock purchased for the customer. If the stock goes down to 98 and the customer sells while the broker buys the transactions again balance and the customer loses 2 per cent while the broker gains 2 per cent. On the other hand, if the stock goes up to 102 and the customer sells while the broker buys the customer makes 2 per cent while the broker loses 2 per cent. The broker, however, has reduced his loss by the extent of the commission received from his customer. If the commission is 1-8 each way—1-8 per cent for buying and 1-8 per cent for selling—his net loss is 1 3-4 per cent. If the customer loses and the broker wins, as in the first illustration, the broker's gain is really 2 1-4 per cent instead of 2 per cent for the reason that his commission is added to his gain in the same way that in the second illustration it is subtracted from his loss.

It may be that some customers of a broker have bought while others have sold a stock. If more has been bought than has been sold the broker will sell enough to effect a balance or if more has been sold than has been bought the broker will buy enough to effect a balance.

In bucketing there is always a percentage represented by the commission (and augmented by interest charged against the broker's customers) in favor of the broker as against the customers, so that the broker profits by bucketing if he loses on half the transactions while his customers lose on the other half.

Bucket shop. A place where bets are made on regular exchange quotations.

No actual transactions take place. "Margin" (a bet) is put up by the "customer" and a commission is charged for "buying" and "selling" the same as on an exchange. When the quotations show a profit to the "customer" (or bettor) he is privileged to demand the profit; when the limit of the "cus-

tomer's" margin (from which has been deducted the commission for both "buying" and "selling") has been reached the "customer" has lost his bet and the transaction is closed.

Budget. English; an estimate of (statement of probable) revenues and expenditures by the government in the ensuing year, with financial proposals in connection therewith, such as measures for meeting a deficiency or measures for disposing of a surplus.

Building and loan association. A cooperative society for the saving and accumulation of money, the building of houses and the loaning of money, its operations being restricted to its own members.

The banking law of the state of New York defines such a building and loan association as follows: "A corporation formed for the purpose of accumulating a fund for the purchase of real property, the erection of buildings, or the making of other improvements on lands, or to pay off encumbrances thereon, or to aid its members in acquiring real estate, making improvements thereon or removing encumbrances therefrom, or of accumulating a fund to be returned to its members in specified cases."

Bulge. A term used in speculation in commodities, particularly in grain; means a quick advance in price.

Bull. A speculator who works to secure or who believes in higher prices; one who buys stocks, grain, cotton or any other speculative commodity in the expectation of selling it at a higher price.

A speculator may be a bull ostensibly but not in fact. For instance, he may desire to acquire a short interest in a stock, but to do so to advantage he first advances the price by wash orders (see Washing) or other devices. He actually sells the stock short at the high price and if the stock then declines below the original price the speculator increases his profit to the extent of the advance effected by him preliminary to the making of his actual sales.

The French for bull is *haussier*.

Bull account. London Stock Exchange term; means the interest in the market which has bought stocks and is holding them to sell when they have risen in price. The phrase also

denotes the volume of commitments open on the bull side. For additional information see *Account, The*.

The corresponding phrase on the New York Stock Exchange is *long interest*.

Bull campaign. A systematic, sustained effort to advance prices of stocks or commodities (grain, cotton, coffee, etc.).

Bulling the market. Working to advance prices, as of stocks, grain, cotton or coffee, etc.

Bullion. Gold or silver in ingots; also uncurrent coin, such as old or foreign coins in mass intended for recoinage; or gold or silver coined but considered simply with reference to its commercial value as raw material.

For particular information as to silver bullion see *Silver bullion*.

Bullion note. Another name for *Treasury note*; see *Treasury note*.

Bullion point. Same as *gold point* or *specie point*; see *Gold point*.

Bullion value. The commercial value. In the case of coins the bullion value is the commercial or market value of the metal they contain.

Bull of stocks. London Stock Exchange term for what on the New York Exchange is called *long of stocks*; it means one who has bought stocks in expectation of selling them at a higher price than he paid for them.

Bull ring. A colloquial name applied to a circular or elliptical railing of heavy metal on the floor of an exchange or board (usually where dealings in grain, cotton or coffee, etc., are conducted.) Around (outside) this railing transactions are effected.

Bumper crop. A colloquial name for a bountiful or very large crop.

Bumper crops of wheat, corn and cotton are important for the reason, for one thing, that they create tonnage for the railroads that depend largely for their earnings on these crops and, for another thing, because they constitute a good part of the country's exports. Wheat is exported largely in the kernel and in the form of flour. Corn is exported in the kernel and as meal and also in the form of provisions, being used exten-

sively as feed for hogs from which are derived pork, lard, hams, bacon, etc. Cotton is exported heavily in its raw state.

Bunco game. A term applied to any swindling operation.

The term was originally applied to the pretended sale of counterfeit money and the delivery to the buyer of a package containing sawdust or some other worthless article, as paper. This particular form of swindling is also known as the sawdust game.

Bushel. A bushel by the usual standard contains in pounds: Barley 48, beans 60, buckwheat 42, clover seed 60, corn 56, corn in ear 68, corn meal 50, flaxseed 56, hempseed 44, oats 32, onions 60, peas 60, potatoes 60, rye 56, salt 56, timothy seed 45, wheat 60, wheat bran 20.

Business. The term business applies to something conducted for profit, as banking, commerce, manufacturing, merchandising, brokerage, etc. It is, however, loosely used in the sense of profession, calling and employment.

Business hours. Banking hours are from 10 a. m. to 3 p. m.; on Saturday from 10 a. m. to 12 noon. On the New York Stock Exchange the hours of business are the same.

The hours of business on the London Stock Exchange are from 11 a. m. to 4 p. m.; on Saturday from 11 a. m. to 1.30 p. m.

Business paper. Another name for commercial paper; see Commercial paper.

Buy. To acquire in exchange for money or other consideration.

Buyer four or ten, twenty, thirty or sixty, etc. Delivery of stock so bought may be demanded by the buyer on any day within the number of days specified on one day's notice to the seller. The buyer must in any event receive and pay for the stock on the final day.

The buyer must, unless the contract is flat (without interest), pay to the seller interest at the legal rate on the price up to the day of delivery. The amount of a dividend becoming due on the stock during the pendency of the contract belongs to the buyer.

No contract on buyer's (or seller's) option for less than 4 days or which extends beyond 60 days can be entered into on the New York Stock Exchange.

Buyer's option. In stocks bought on buyer's option the

buyer may demand delivery of the stock on any day within the time specified on one day's notice to the seller. The buyer, unless the contract is flat (without interest), pays the seller interest at the legal rate on the price of the stock up to the day of delivery. The amount of a dividend becoming due during the pendency of the contract is payable by the seller to the buyer.

No contract on buyer's (or seller's) option for less than 4 days or which extends beyond 60 days can be entered into on the New York Stock Exchange.

Buyers over. London Stock Exchange term, meaning that there are buyers at 1-32 of a pound over a figure or fraction. Over 99 is 99 1-32; over 1-2 is 17-32.

Buyer the year. A contract which gives the seller the right to call for the delivery of the property at any time within the year.

No contract on buyer's (or seller's) option for less than 4 days or which extends beyond 60 days can be entered into on the New York Stock Exchange.

Buying a bull. London Stock Exchange term, meaning buying in expectation of an advance in price. The term means the same as the New York Stock Exchange term "buying long stock," as distinguished from buying back stock that has been sold short.

Buying and selling dividends. Prohibited on exchanges because it is calculated unduly to influence the prices of the stocks concerned.

Buying and selling dividends in advance of their declaration is, however, a common practise. A speculator may buy the forthcoming dividend on 1,000 shares of a certain stock (as to the size of which there is doubt) for, say, 1 1-4 per cent. If the dividend is 1 1-2 per cent the buyer receives from the seller the difference, 1-4 per cent; if the dividend is 1 per cent the buyer pays to the seller the difference, 1-4 per cent, which on 1,000 shares is \$250.

Buying back. Buying back is a term used when a speculator who is short of a stock covers—when he buys a stock which he had previously sold without having owned it.

Buying for investment. See Investment securities.

Buying in. The act of purchasing stock to enable the return of stock that has been borrowed.

The term also applies to buying under the rule; see *Under the rule*.

The term buying in also applies when property at public vendue (auction) is bought by parties in interest because a high enough price has not been offered for it.

The term buying in applies when at a foreclosure sale the property is bought for parties in interest. In the sale at foreclosure of a railroad the road may be and generally is bought in the interest of its security holders.

On the London Stock Exchange when the seller of a security does not deliver it by the date when it is due the buyer instructs the official broker to "buy it in"—that is, to make a fresh purchase for cash by bidding for the security in the market. The difference in price, if any, and the official broker's commission are paid by the original seller.

Buying outright. Buying and paying in full for stocks. See *For cash*.

Buying rate. In dealings in exchange the buying rate is the rate at which exchange is bought by a dealer in it.

By-bidder. One who bids at auction in behalf of the owner for the purpose of advancing the price.

By-laws. Rules adopted by an association or corporation for the government and conduct of its affairs, but at the same time subordinate to its constitution or charter.

C

C. As printed on the tape by the stock ticker this letter means class C (of bonds) or coupon or, when following a sale, cash.

Cable. A cable despatch reporting a foreign market.

Also, a transfer of money (or its equivalent, credit) by cable is called for short a cable.

Cable transfer. A transfer of money (or its equivalent, credit) by cable. For additional information see Foreign exchange.

Call. A call (on a stock) is a contract or written agreement binding the issuer to deliver to the holder stock named in the agreement within a certain time at a certain price if the holder shall so demand (or in other words, call for the stock).

For example, A signs a promise to deliver 100 shares of some specified stock to B at 100 at any time within 60 days if B makes a demand for it. A sells this promise to B for, say, \$100. If within the 60 days the stock rises in price so that B can sell it at a profit B sells and calls on A to make delivery of the stock. The stock must go above 101 before there is a profit for B. If the stock declines or does not go above 101 B, of course, does not call for it and A makes \$100 on his risk. In calling for the stock B must give one day's notice except on the last day, when no notice is required.

If a dividend becomes due on a stock during the pendency of a call on it the dividend goes to the holder of the call if he elects to receive and pay for the stock.

A call on grain or cotton, coffee, etc., is based on the same general principle as in the case of stocks.

For additional information see Privilege.

Also, a call is the act of calling off at an exchange or trading place the list of stocks and bonds or the different options or futures (months of delivery) in grain, cotton, coffee, etc. As the various stocks or commodities are called the buyers and sellers make their bids and offers.

The term call also is applied to the demand from the company issuing a stock or share that is not fully paid for a further payment or instalment from the holders; the word thus has come to be used loosely for the amount of the instalment or assessment. This use of the word is, of course, distinct from the term call when an option (privilege) is referred to.

Called bond. When the right is reserved by a company which has emitted a bond to redeem (pay) it after a certain time and notice of the exercise of this right is given the bond is called in—the bond is then a called bond. Interest on such a bond ceases after the bond is called.

Call letter. A term used in Great Britain for a letter from a company or other issuer of securities demanding from holders the payment of a call or assessment on the securities.

Call loan. A loan payable on call or demand; collateral is usually provided to secure the loan.

In New York state the requirement that not more than 6 per cent interest shall be charged on money loaned does not apply to call loans. The law says: "Upon advances of money repayable on demand to an amount not less than five thousand dollars made upon warehouse receipts, bills of lading, certificates of stock, certificates of deposit, bills of exchange, bonds or other negotiable instruments, pledged as collateral security for such repayment, any bank or individual banker may receive or contract to receive and collect, as compensation for making such advances, any sum to be agreed upon in writing by the parties to such transaction."

In a stringency in money the rate for call loans goes very high. Many times it has gone to 3-4 of 1 per cent "and interest," which is equivalent to the rate of 279 3-4 per cent a year. The 3-4 per cent is the premium paid on the money and the interest is at the legal rate, which in New York state is 6 per cent. The premium is not paid each day while the loan stands, but is a premium paid for obtaining the loan. But the loan might be called (the return of the money demanded) the next day, in which case the borrower might have to pay the same premium for a renewal of it with the same lender.

By New York Stock Exchange rules a demand for the return of a call loan must be made before 1 p. m. and payment must

be made before or at 2.15 p. m. the same day. Also, notice of intention to pay a call loan must be given before 1 o'clock and payment must be made before 2.15 o'clock.

It is not the practise of the banks in the Wall Street district to require from regular borrowers a new note every time a call loan is made. The continuing agreement (see Continuing agreement) covers new call loans as well as old ones. If, however, a special note is exacted the regular stock note (collateral note—see Collateral note) is used, the note being made payable on demand (in a time loan the note is made payable at a specified time).

Notes used in call loans are generally printed on colored paper (most frequently blue paper) to distinguish them easily from time notes, which are almost invariably printed on white paper.

The advantage in borrowing money on call is that it need not be retained when the borrower no longer has use for it.

In Great Britain the term generally used for call loan is day-to-day loan.

Call money. Money borrowed which is returnable on the call or demand of the lender. See Call loan.

Call of more. London Stock Exchange term; a call of more gives the holder the right to call for the delivery by the seller of an additional amount of stock equal to the amount named in the bargain, or in other words, to call for twice as much stock as is named in the contract. If a man buys £1,000 consols with the call of more at 96 1-2 he can call for the delivery by the seller of £2,000. For this extra right or privilege the holder of the call pays an extra price.

Call paid. On the London Stock Exchange a stock or share is said to be dealt in "call paid" when a call or assessment has been made upon it and has been paid by the seller. It is the opposite of cum call; see Cum call.

Cambism. The theory and practise of exchange, particularly foreign exchange; see Foreign exchange.

Cambist. A dealer in (foreign) exchange; a manual giving the moneys, weights and measures of different countries and their equivalents is also called a cambist.

Cancelling certificates. Stock certificates, bonds and cou-

pons are usually cancelled by punching holes through the signatures on them.

Cancel order. An order recalling or countermanding a previous order to buy or sell, as stocks, grain, cotton, coffee, etc.

Capel Court. This term signifies the speculative centre in London as Wall Street signifies the speculative centre in New York.

The Capel court entrance to the London Stock Exchange looks out upon the east front of the Bank of England on Bartholomew lane, but the other entrances, on Throgmorton street and Old Broad street, are more thronged.

The name Capel Court was given to the London financial centre from the fact that the entrance to the first building erected (1801) for use as a stock exchange was from Capel court.

Capital. Wealth employed in or available for production.

Specifically, the capital of a stock company is the property and perhaps good will used in its business at a valuation on which profits or dividends are calculated. The valuation is represented by stock. Bonds in contradistinction to stock represent indebtedness.

Capital amount. The original amount or sum; principal.

Capital expenditure. Expenditure against which capital stock is issued.

Capitalist. An owner of capital, especially one who has large means.

Capitalization. Placing a value on and creating something to represent that value.

For instance, the capitalization of a business consists in placing a value on it and then issuing stock to represent that value. Bonds in contradistinction to stock represent an indebtedness.

It is a common practise, however, to speak of the amount of the bonds of a company and the amount of its stock, both added together, as the capitalization of the company—as the amount for which it is capitalized.

Capital liabilities. The stock issued by a company. It is a common practise, also, to include bonded indebtedness under this head.

Capital sum. The original sum or amount; principal.

Captain of Industry. This title, while not new, was brought into general use by a luncheon in New York arranged in honor of Prince Henry of Prussia when he visited the United States in 1902 and which was attended by men at the head of or who by their genius, means or otherwise were responsible, in whole or in part, for the creation and development of important industries in the United States. John Pierpont Morgan, a leading financier, presided at the luncheon and the men who attended it were designated Captains of Industry.

Cargo. A name for all or for any part of the goods or material with which a vessel is loaded.

Car lots. A grain trade term which refers to the number of cars of grain received and inspected daily at the chief grain centres.

Car miles. A railroad term; the number of miles traversed (in a year or other given time) by all cars on a railroad. The number of miles traversed by all cars divided by the number of cars shows the average number of miles traversed by each car. Car miles means the same as car mileage.

Carrying. A speculator who is long of stocks is carrying stocks; likewise, a broker who has bought stocks for a customer on margin is carrying the stocks.

Carrying charges. A designation for the interest paid by buyers of stocks on the money represented by the difference between the margin deposited and the purchase price of the stock. Sellers of short stocks as a rule have not to pay interest charges; only buyers have to pay such charges.

Grain carrying charges consist of storage, interest and insurance. They are represented by the excess of the price for future delivery over the cash price (the price for immediate delivery). Illustration: If wheat for a future delivery is 4 cents higher than cash wheat (wheat for immediate delivery) the 4 cents represents warehousing and insurance up to the expiration of the contract. If the cash market (price) declines 1 cent before the termination of the contract the short seller makes 5 cents profit; if it remains stationary he makes 4 cents; if it advances 3 cents he still profits 1 cent.

Carrying over. On the London Stock Exchange carrying over is the postponement of the adjustment of an account until another settlement (settlements occur fortnightly). Each

bargain carried over is closed for cash and reopened for the new account (see Settlement, The).

Carrying over charges are those which the buyer or seller (as the case may be) has to pay for the privilege of not receiving or delivering stock at the regular time. The charge for non-payment of cash for stock is called *contango*. A *contango* is generally paid by bulls and received by bears; but if a stock has been so much oversold that it is scarce for delivery a charge is made for non-delivery of the stock, which is called a *backwardation*; this is paid by bears and received by bulls. If the accounts balance the rate is even.

Carry-over. On the London Stock Exchange *carry-over* is a term used to signify the aggregate of the contracts in one or in all stocks continued or carried over to the next settlement.

The *carry-over* as a whole designates the collective operation by which the speculative position open for the rise or fall is continued from one settlement to the next. When the position open is for the rise speculators have to borrow money and pay a *contango* rate to money lenders; when the position open is for the fall speculators have to borrow stock from the holders and pay them a *backwardation*. It is, however, a comparatively rare occurrence that a stock is so much oversold by speculators that a *backwardation* can be exacted from them.

Carte blanche order. In stocks or in commodities an order conferring unlimited authority in buying (or selling).

Car trust. A trust created for holding title to cars until paid for by the railroad which bought and is using them. Certificates or bonds, so-called, are issued under the trust the same as under other liens or mortgages.

Cartwheel. A colloquial name for the silver dollar of the United States; so called because of the large size of the coin.

Case of need. See In case of need.

Cash. A colloquial name for money.

Also, a cash (or spot) transaction is a transaction for immediate consummation and settlement. Usually in mercantile dealings, however, the term cash permits payment within 10 days.

For the application of the term cash to dealings in stocks and commodities see For cash.

Also, to cash means to make collection. For instance, to cash a check or a coupon is to make collection of the amount of it.

Also, cash is the name given to the coin used as small change in China and parts of the East Indies. The cash of China is 1-10 candareen and is equal to 1-10 cent.

Cash assets. Assets consisting of cash in hand or in bank or assets that can readily be converted into cash (money).

Cash credit. Usually a credit at a bank established by the negotiation of a loan from a bank which the borrower is privileged to draw against by check.

Cash dividend. One payable in cash; that is, by check, which calls for cash.

Cashier. An officer of a bank or other moneyed institution, having charge of its funds.

The mechanism of a bank is under the control of the cashier, who is accountable to the board of directors, by whom he is appointed and to whom he gives bond.

The name cashier also is commonly applied to the person who receives and pays out money for a corporation or firm. Such a person in a bank is called a teller.

Cashier's check. A check upon a bank signed by its cashier. When money is borrowed from a bank the borrower, unless the money is to be placed to his credit in that bank, receives from the cashier a check for the amount which he may deposit in any other bank or may make payable to somebody else the same as any other check.

A cashier's check constitutes a common form of exchange; see Exchange.

Cats and dogs. A colloquial name for worthless securities.

CB. As printed on the tape by the stock ticker these letters mean currency bond.

Cent. One-hundredth part of a dollar (United States); there is a bronze coin bearing the name cent.

Also see Moneys of the world.

Cental. A hundredweight or 100 pounds avoirdupois.

Central institution. A name often applied in Great Britain to the Bank of England.

Central reserve cities. See Reserve cities.

Certificate of deposit. A certificate of deposit is a receipt

from or acknowledgment by a bank that a certain amount of money has been entrusted to it as a special deposit. It is transferable. It may be made payable by a correspondent of the bank in some other place. A certificate of deposit cannot be drawn against by check.

A certificate of deposit is called a demand certificate when it is payable on demand or a time certificate when it is payable on or after a certain future time. A time certificate usually bears interest at a specified rate.

A certificate which represents stock deposited for the reorganization of a company or for some other purpose is also called a certificate of deposit.

Certificate of indebtedness. An acknowledgment of debt. If not paid within the time named in it the holder may apply for the appointment of a receiver. See Bond.

Certificate of stock. The document which attests ownership of the amount of stock specified in it.

The New York Stock Exchange rarely admits to dealings stocks of the par (face) value of more than \$100 or bonds of more than \$10,000. Nor does it accept as a delivery a single certificate for more than 100 shares of stock or a single registered bond for more than \$10,000. Delivery of coupon bonds must be in denominations of \$1,000 or \$500, large bonds (over \$1,000) or small bonds (less than \$500) being good only in special transactions.

When a broker buys stock for a speculator the certificate is not made out in the name of the speculator. A certificate signed (assigned) in blank (see Assigned in blank) is received by the buying broker from the selling broker and this certificate may on the resale of the stock be delivered to the new buying broker, and so on, the same certificate continuing to serve indefinitely in transactions.

Certification. For the meaning of this term on the London Stock Exchange see Certified transfer.

Certified accountant. Another name for chartered accountant; see Chartered accountant.

Certified check. A check having written across its face the signature of (usually) the cashier or paying teller of the bank on which it is drawn certifying to the signature of the drawer and to the fact that the latter has sufficient funds on deposit

with which to pay it. Funds are held in reserve from the drawer's account by the bank to meet the check.

When the holder of a check takes it to the bank upon which it is drawn and has it certified the drawer of the check and the indorsers, if there are any, are released and thereafter the holder must look to the bank alone. The bank is absolutely liable upon the check unless it was "raised" either before or after certification. The bank by certifying the check guarantees the genuineness of the signature of the drawer and certifies that it has in its possession funds belonging to the drawer sufficient to meet the check and it thereby engages that those funds shall not be withdrawn by the maker of the check to the prejudice or loss of any bona fide holder of the check.

But the certification of the check does not imply any further or greater responsibility or imply that the body of the check is genuine. When, therefore, a check is raised before certification the certifying bank cannot be called upon to pay the amount of the raised check; or if a bank certifies a raised check by mistake and pays the same without culpable negligence it can recover the amount as money paid by mistake and the same rule applies if the check is raised after certification.

In some cities checks are not certified by banks, but instead due bills, so-called, are employed. When guaranty of the payment of a check by a bank is desired the check is delivered to the bank which retains the check and issues in place of it a due bill payable by the bank itself. This due bill may be deposited in another bank the same as a check.

Also see Overcertification.

Certified transfer. English term; when a stockholder has sold only a portion of the stock represented by a certificate held by him the certificate and a transfer deed (assignment) are lodged with the company which issues a fresh certificate to him for the amount unsold and indorses the transfer to the effect that it is good for the remaining amount of stock; then the transfer is said to be certified or marked and the act of certifying or marking is called certification.

CH. As printed on the tape by the stock ticker these letters

mean clearing house (clearing house of the New York Stock Exchange).

Chain rule. An arithmetical operation which, by means of a chain of intermediate relationships, establishes a comparison between two quantities not directly related. Chain rule is used largely in calculations in foreign exchange.

Chairman. The one who presides at a meeting, as a meeting of a board of directors.

Also see Chairman of the Board.

Chairman of the board. When the board of directors of a railroad company or other company is presided over by an officer designated as the chairman of the board instead of by the president of the company the chairman of the board is the directing financial officer and is in fact the head of the company. The president then occupies a subordinate position; he is the chief operating officer or the chief managing officer.

Chamber of commerce. A title often adopted by an organization formed to promote commercial or mercantile interests.

Chancellor of the Exchequer. The minister of finance in the British Cabinet.

'Change. An abbreviation of exchange.

In London the term 'change is, strictly speaking, only applied to the market for foreign bills. "On 'change" means in the foreign bills (foreign exchange) market, which meets on Tuesdays and Thursdays in the Royal Exchange (see Course of exchange). But the term is also used loosely and inaccurately of the stock exchange.

Change alley. The early meeting place (1698 to about 1773) of dealers in shares and stocks in London.

Charge. A debit entry in an account; also, the price demanded for a thing; also, a burden or encumbrance on property or resources, as interest on a bond or mortgage.

In making exchanges at the Banker's Clearing House in London the term charge means the total of articles (items, checks, drafts, etc.) presented by one bank for collection from another bank. The term employed in the United States is exchanges or collection items.

Charge and discharge. The presentation in a chancery court (court of equity) of the claims and accounts of the plaintiff against the defendant and those of the defendant against

the plaintiff so that the balance of account may be determined by the court.

Charges. See Carrying charges.

Charges forward. A commercial term, meaning that the carrying and other charges are to be paid by the receiver of the property.

Charter. The charter of a company is the authority conferred upon it by a special act of legislature to do business and the act defines the purposes and prescribes the privileges of the company.

It is a common though incorrect practise to designate as a charter the articles of incorporation of a company that is formed under the general laws. In such a case the company merely is incorporated—not chartered—and its articles of incorporation are merely the papers it files with the proper authority specifying its purposes, etc.

Also, the contract for the lease of a vessel for a voyage is called a charter.

Chartered accountant. English; one who holds a charter (certificate) from the Institute of Chartered Accountants stating that he has passed an examination and is competent to perform an accountant's work.

Charter party. The agreement or contract entered into when a vessel is chartered.

Chasing eighths and quarters. A colloquialism; used to describe the occupation of a so-called scalper in a speculative market, who is content with small profits—eighths and quarters.

A scalper is generally a member of an exchange who trades for his own account and has not to pay commissions.

Chattel. Any article of personal property. A certificate of stock, bond, bill of exchange (draft) or promissory note is a chattel.

Cheap money. Money is cheap when it is obtainable at a low rate. At such a time the prices of securities are likely to advance, not because they are worth more, but because money is worth less, the purchasing power of money having decreased.

Check. An order for money that is on deposit with a bank, banker, trust company or other monetary institution.

A check differs from a bill of exchange in that it is always payable on demand and always purports to be drawn against a deposit of funds.

If the amount stated in words and the amount stated in figures in a check do not agree the words govern. If a check passes out of the maker's hands without having been dated the holder may write in the space provided for the date a date which must be the date upon which the check was received by him but no other date. A check dated ahead is usually regarded as a bill of exchange rather than a check.

When a check is paid before the date written on it the money so paid can be recovered.

A bank is not liable to the holder of a check unless and until it accepts or certifies the check. A bank is not bound to make partial payment on a check if the drawer has not sufficient funds to his credit to make payment in full.

If a depositor draws several checks amounting in the aggregate to more than he has standing to his credit the bank pays the checks in the order of presentation without regard to dates or numbers until the depositor's credit is exhausted. The bank may refuse to honor checks subsequently presented.

Nothing is gained by adding to a check the words "in full settlement" with the idea of compelling the acceptance of an amount smaller than the amount of the claim for the payment of which the check is issued. The creditor to whom the check is issued may collect the check and still sue for the balance yet due him. One reason he is allowed to do so is because in such a case there is no consideration for his agreement to forgive the other part of his debt and an agreement without consideration cannot be enforced.

In most states the death of a bank depositor revokes any checks that he may have drawn which have not been presented up to that time. A bank is protected in paying a check after the drawer's death if ignorant of the event.

In most states it has been held that a check does not operate as an assignment to the holder of the amount of the depositor's money that it calls for, so that if the bank refuses to pay the check the holder has no right of action against the bank, his remedy being against the drawer. In such a case the drawer is the only one who has right of action against the bank. Ac-

cordingly, though a bank ought to pay checks in the order of their presentation, it need not do so and the drawer is the only one who legally can complain if it does not.

The holder of a check ordinarily may delay presentation of it to the bank without absolving the drawer from liability. If, however, the bank at which the check is payable fails after the check has been outstanding for a reasonable time and the bank at the time of its failure is in possession of funds of the drawer sufficient to pay the check the loss falls on the holder of the check.

But in order to hold the indorser the check should be presented to the bank for collection the day it is received by the payee (the one to whom the amount of it is to be paid)—it must be presented the following day. In case the payee does not reside in the place where is situated the bank upon which the check is drawn the payee must transmit it for collection not later than the hour for the closing of the last mail on the day following the day on which he received it. A bank receiving it for collection must forward it on the day of its receipt. To send it through various banks or through parties in various places constitutes negligence if the time of presentation is thereby delayed.

If the check is sent to an agent for collection he is bound to present it on the day of its receipt if received in business hours. Sundays and holidays are not counted as days under this rule.

When a depositor in a bank offers for deposit a check drawn by another depositor in the same bank the bank may refuse to accept it or it may accept it unconditionally or conditionally. If accepted conditionally the condition commonly imposed is that the check is to be held over until the close of banking hours and then is to be accepted or rejected in accordance with the state of the drawer's account. If the check is accepted unconditionally the bank is responsible for the amount of it whether the depositor's account is good for the sum or not.

The Court of Appeals of New York state has held: "When a genuine check, drawn by one of its depositors upon a bank, is presented by the drawee to that bank for deposit it is substantially a demand for payment by the holder of the check.

If the bank accepts the check and pays it, either by delivering the currency, or giving the party credit for it as a deposit, the transaction is closed between the bank and such party. The bank is liable for the amount of the check, although on the same day, and before the close of banking hours, but after it had paid other checks of the drawer presented later, it returned the check to the depositor as not good, and although the account of the drawer was overdrawn at the time of the deposit. In the case of a deposit of a check drawn upon itself the bank becomes at once the debtor of the depositor, and the title to the deposit passes to the bank."

The Supreme Court of the United States has reached the same conclusion. Quoting the New York ruling with approval it said: "When a check on itself is offered to a bank as a deposit the bank has the option to accept or reject it, or to receive it upon such conditions as may be agreed upon. If it is rejected there is no room for any doubt or question between the parties. If, on the other hand, the check is offered as a deposit and received as a deposit, there being no fraud and the check genuine, the parties are no less bound and concluded than in the former case. Neither can disavow nor repudiate what has been done. The case is simply one of an executed contract. There are the requisite parties, the requisite consideration, and the requisite concurrence and assent of the minds of those concerned."

If a deposit is made in a bank to the credit of A as agent for B the bank may pay checks drawn in proper form by the agent unless or until notified by the principal not to do so. The bank is privileged to assume that a check drawn in proper form by the agent in favor of a third person is drawn in the course of the agent's performance of his duties and it may honor them accordingly. The bank, however, having had notice that the funds are held by the agent in a fiduciary capacity can have no lien on them for a private debt of the depositor, that is, the agent, to it. - If it allows the agent to use any part of the funds in the settlement of balances due from the agent to the bank arising out of its dealings with him, in his private capacity the bank can be compelled to reimburse the principal for such amounts.

A check payable by the United States Treasury must be

indorsed for collection in handwriting and not by stamp as is a common practise with bank checks which are to be deposited for collection.

It is a common practise to speak of a demand bill of exchange (draft) issued by a bank or banker as a check, for it, like a check, is payable on presentation.

For additional information see Negotiable instrument.

Also, to check means to test the accuracy of memoranda or entries by comparison.

Check bank. See Cheque bank.

Checkbook. A book containing blank forms of checks.

Check collection charge. A charge made by banks for the collection of checks payable at banks in other places. For additional information see Collection charge.

Check exchange. Check exchange means sight exchange; a check is payable at sight, or in other words, is payable on presentation.

Checking a bargain. London Stock Exchange term; all bargains done between members or firms are checked next morning in a room in the basement of the exchange before the beginning of business in the house (exchange). The clerks who perform this work repeat to one another the terms of the bargain and if there is any dispute refer it at once to their principals; they are known as checking clerks and are admitted to the exchange as attendants for their employers, but are not allowed to transact business, whereas authorized clerks, so-called, are allowed to transact business on the exchange for their employers.

The corresponding New York Stock Exchange term is comparison; see Comparison.

Cheque. The English way of spelling check.

Cheque bank. The cheque (check) bank was a London institution which furnished a convenient mode for remitting money. It sold a cheque (check) payable to a person named for the amount of the cheque, plus a small commission. Unfortunately its business was not conducted successfully and it went into liquidation.

Cheque exchange. Cheque (check) exchange means sight exchange; a cheque is payable at sight, or in other words, is payable on presentation.

Chicago Board of Trade. The exchange in Chicago where dealings in grain, provisions, etc., are conducted on an extensive scale.

The official title of the Chicago Board of Trade is "Board of Trade of the City of Chicago." The board was formed as a voluntary organization in 1848; in 1850 it was incorporated under the general incorporation law of the state of Illinois and in 1859 a special charter was granted to it by the legislature of Illinois.

Chicago check. The name given to the form of check where the dollar mark to be followed by the amount in figures is at the end of the line on which the payee's name is written instead of, as generally, in the lower left hand corner.

Childers. London Stock Exchange name for the 2 3-4 per cent British consols redeemable in 1905, which were inaugurated by Mr. Childers.

Chop. A mercantile term, meaning a brand. Exporters to the Orient place on their goods a distinguishing chop, usually in native characters, so that the natives, who would not understand other marks, may order by chops with which they are familiar.

Chopped dollar. The name in China for a Mexican or other silver dollar that has been chopped (stamped with native characters).

Chose. Any personal property.

Chose in action. A right to personal property or money not in possession but recoverable in an action at law; also, a note, bond or other written obligation upon which suit may be instituted.

Chose in possession. Any property in rightful possession.

C. i. f. These letters are commonly used in dealings in grain, cotton, etc., to signify that cost, insurance and freight are paid or included. For additional information see Cost, insurance and freight.

Cipher code. Same as code; see Code.

Circular letter of credit. Commonly called traveler's letter of credit; a demand bill of exchange (draft) issued by a dealer in exchange and payable in instalments by foreign correspondents of the issuer or for that matter by domestic correspondents.

The letter is a circular letter in the fact that it is addressed to any and all the correspondents of the issuer. When it is desired to obtain money the letter is presented to a correspondent of the issuer with a check on the issuer for the sum desired. The correspondent usually prepares (fills out) the check and the holder of the letter signs it in his presence. The signature must be written exactly as it previously had been written on the letter of credit. The correspondent retains the check, writes in the sum drawn on the letter and then returns the letter to the holder.

For instance, a letter of credit is purchased in New York by a person who is going abroad. In London he may present it to the correspondent of the issuer and draw part of the amount of it in pounds sterling. In Paris he may present it to another correspondent and draw more money, this time in francs. In Berlin he may draw marks, and so on until the full amount of the credit is exhausted.

Circular note. A note for a specified amount issued by a dealer in exchange and payable by any correspondent of the dealer. It is intended for the use of a traveler.

A traveler purchases a number of these notes, say, for £10 each. The traveler indorses each as he presents it for payment. He is provided with a letter of indication which bears his signature and the signature on the note must correspond with the signature in the letter of indication.

Circulating capital. Capital that once used for a purpose is not again directly available for the same purpose, as wages.

Circulating medium. Money or anything that serves as money.

Circulating note. A promissory note in circulation as money, as a bank note.

Circulation. Money in use. The term is commonly applied to notes issued by national banks, for information as to which see National bank note.

City. In London the term City is commonly used to designate the financial district surrounding the Bank of England and the stock exchange, the same as the term Wall Street is commonly used to designate the district in New York surrounding and including the stock exchange and other important financial institutions.

City editor. London title for the writer of the article in a newspaper which describes conditions and operations in the financial markets, including the market for stocks and bonds. In the United States the title is financial editor.

Classified bonds. An issue of bonds is sometimes divided into two or more classes; for instance, into class A, class B, etc., which classifications are usually abbreviated into A bonds, B bonds, etc. The A bonds may be entitled to interest at or up to a specified rate before interest is paid on the B bonds; or the classification may be for the purpose of designating bonds of one kind which bear different dates of issue and likewise mature at different dates.

Classified stock. A stock is classified when any particular kind of stock is divided into two or more classes, as, for instance, when preferred stock is divided into first preferred and second preferred and perhaps third preferred.

In Great Britain ordinary (common) stock is frequently divided into two classes—B and A; other names for these two classes being preferred ordinary and deferred ordinary.

Clean acceptance. A clean acceptance on a bill of exchange (draft) is when the drawee (the one who is to pay the bill) writes on the face of it only the word "Accepted" followed by the date and signature or followed by the date, signature and place of payment. Another name for clean acceptance is general acceptance.

Clean bill. The name given to a bill of exchange which is not accompanied by documents. For instance, a banker's bill, which is an order from a banker in one place to a banker in another place to pay the holder the amount of it in the second place, is a clean bill.

Clean bond. A coupon bond without indorsements or other writing on the back.

Also see Indorsed bond.

Clean dollar. The name in China for a Mexican or other silver dollar that has not been chopped (stamped with native characters).

Clearance. A certificate from the proper authority that a vessel bound for a foreign port has complied with the law and has leave to sail. In domestic trade the mere departure of a vessel from port is called a clearance.

In the grain trade a consignment of grain or flour shipped by lake or ocean is called a clearance.

Clear day. One entire intervening business day. When one clear day is specified in a transaction the transaction does not conclude until the second day after it is entered into.

Cleared inward. Said when the formalities at the custom house in connection with an arriving vessel have been complied with.

Cleared outward. Said when the formalities at the custom house in connection with a departing vessel have been complied with.

Clearing. Clearing by a bank is the presentation at the clearing house of collectable items (checks, drafts, promissory notes, etc.) which it holds, the receipt in exchange of the items payable by it, and the settlement of the difference (balance) by collection of or payment of the amount of the difference.

Clearing a check or a bill of exchange (draft) consists in presenting it for payment.

Clearing by a stock broker is the operation of delivering stocks and receiving pay for them, or the reverse, receiving stocks and paying for them.

Clearing house. See Clearing house of the associated banks of New York; also see New York Stock Exchange clearing house.

Clearing house agent. Same as redemption agent; a name given to a bank which is a member of the clearing house and clears for another bank which is not a member.

In New York a bank which is a clearing house member can act for a bank which is not a member only by consent of the clearing house committee.

Clearing house balances. The term clearing house balances means the payments required from banks to settle differences at the clearing house. Banks present the items (checks, drafts, etc.), which are collectable by them, receive in exchange the items payable by them, and then receive or pay the differences (balances).

For additional information see Clearing house of the associated banks of New York.

Clearing house currency. As one means of securing an

elastic asset currency which would be entirely safe and at the same time responsive to the needs of business it is proposed by some that the privilege of emitting circulating notes be taken from the individual banks and delegated to clearing houses. This, it is urged, would place behind the notes the combined strength of the associated banks and would also do away with any danger of reckless emissions of notes by poorly managed or weak institutions.

Further, the advocates of this system think it would be easier in this manner to regulate the volume of currency to the demands of a community or state than by means of numerous issues of banks acting independently.

Existing clearing houses include only banks in the larger cities and their immediate localities. For the purposes of a clearing house currency it would be necessary to organize country banks into clearing house associations by districts or states, as the case might be, in order that all the banks might share in the benefits and responsibilities of the system.

Clearing house gold certificates. In New York these are certificates or receipts for gold deposited in the vaults of the clearing house or in the Sub-Treasury and are transferable by indorsement. They are issued in denominations of \$5,000 and \$10,000 and are used only in settling balances at the clearing house. These certificates, inasmuch as they represent actual gold, are counted in the reserves of banks which hold them.

Clearing house loan certificates. These certificates are occasionally issued by the New York Clearing House Association in an emergency or monetary stringency. They are issued against collateral provided by banks obtaining the certificates and approved by a committee. They are used in the settlement of the daily balances between banks and are retired as speedily as circumstances will permit.

These certificates (which in New York are issued in denominations of \$5,000) are practically call loans, at least so far as the banks to which they are issued are concerned. While demand cannot be peremptorily made upon banks to which they have been issued for the redemption (payment) of them the banks, nevertheless, may redeem them at pleasure. The clearing house committee may, however, as in the case of

call loans, demand additional collateral (security) should there be a depreciation in the value of the collateral deposited. There is an incentive for the banks to which the certificates are issued to redeem them in the fact that interest at the full legal rate has to be paid on them while they are outstanding.

In 1893 the clearing houses in New York, Boston and Philadelphia issued \$63,900,000 in clearing house loan certificates. These certificates were used in the settlement of balances between the member banks and an equal amount of money was released to supply the void made in the circulating medium by the heavy gold exports and the withdrawal of money from the banks for hoarding and for current hand-to-hand use. In some Southern cities the clearing houses issued loan certificates in as small amounts as 25 cents for popular circulation so urgent was the demand for currency. The question of the legality of this latter action was not raised at the time because the crisis was so acute that wisdom seemed to forbid any questionings that might make it worse.

Clearing house money. In Boston it is the custom of banks which are debtor at the clearing house to borrow from banks which are creditor for the purpose of settling their debit balances. A bank which lends gives to the bank which borrows from it a draft on the manager of the clearing house and the amount of this draft is deducted from the balance due the creditor bank. The draft is subsequently surrendered to the lending bank to be used by it as evidence of the obligation to it of the borrowing bank. A creditor bank may lend part or all of its balance. The borrowing bank may retain the amount borrowed until it is called for by the lending bank, but it may pay it back when it desires.

The rate of interest charged for the use of the money is agreed upon between the lender and the borrower, but it generally corresponds to the open market rate for call money—that is, money returnable on demand. The rate for clearing house money, as it is called, is reported in the newspapers the same as the rates for call and time money.

Clearing house of the associated banks of New York. This is the place where a daily settlement of differences between banks belonging to the New York Clearing House Association is made.

In clearing each bank presents its total claim against all other banks and at the same time the claims of all other banks against it are presented. If the result is a credit balance for the bank the bank receives it in cash; if the result is a debit balance the bank pays it in cash. The credit balances of all banks when combined exactly match the debit balances of all banks when combined.

When a bank's clearings are spoken of the expression means the amount of its claims against all other banks—the checks, promissory notes and drafts or bills of exchange which it holds that are payable by other banks. Its balance is the difference in favor of or against it which, as the case may be, it receives or pays in cash. The act of a bank's representative in presenting the items (checks, drafts, etc.) payable to it by other banks and of receiving the items presented by other banks and payable by it is called making exchanges.

Specifically, the matter cleared at the clearing house (the items sent to the clearing house for collection) consists of checks and also promissory notes and drafts or bills of exchange when they have been certified by the banks at which they are payable. This certification is a guaranty by the banks at which they are payable that they will be paid—that the money has been set aside for their payment. In addition to the matter named various kinds of money orders, though not authorized, are for the convenience of the banks passed through (cleared at) the clearing house.

Promissory notes and drafts or bills of exchange when not certified are collected by hand—that is, by messenger, who presents the notes at the banks at which they are payable.

With the exception of fractional amounts balances are settled with legal tender notes (United States notes and Treasury notes), gold coin, United States gold certificates (which are issued against gold coin held in the Treasury) and clearing house gold certificates (which are issued against gold coin held in the vaults of the clearing house or in the vaults of the Sub-Treasury).

In some clearing houses settlements are made by drafts of the manager against debtor banks and in favor of creditor banks; thus no money passes at such clearing houses.

Also see Bank statement.

At the Bankers' Clearing House in London London bills and checks are sent in by the banks at different times throughout the day and are cleared between 4 and 5 o'clock; country checks are cleared at noon. The Bankers' Clearing House return (statement) is issued only once a week, on Thursday, but it gives the figures for each day.

Clearing house sheet. The printed form upon which the operations of a bank at the clearing house are recorded. Before the sheet is taken from the bank to the clearing house its claims against other banks are entered on the sheet. Then, at the clearing house the claims of other banks against it are entered on the sheet and the difference in the totals (called the balance) is ascertained. For additional information see Clearing house of the associated banks of New York.

For information as to the sheet used in clearing transactions in stocks see New York Stock Exchange clearing house.

Clearing house stocks. Those on the list cleared at the New York Stock Exchange clearing house. For information see New York Stock Exchange clearing house.

Clearing matter. The matter cleared (presented for collection) at a clearing house (of banks). It consists of checks, drafts (bills of exchange) and promissory notes (only those notes which are payable at specified banks).

Client. This word is uniformly used on the London Stock Exchange instead of customer, which is the word commonly used on the New York Stock Exchange.

Clique. A name given to a combination of speculators formed for the purpose of manipulating a stock or a commodity or a market as a whole.

Close corporation. Name given to an incorporated company the stock of which is held by a few persons and is not for sale. When a private business is continued as an incorporated company instead of a partnership and stock is allotted to each partner for his interest or share in the business the company is called a close corporation. An entirely new business or enterprise, however, may be and often is started as a close corporation instead of a partnership. Usually there is an agreement among the stockholders whereby each is prohibited from disposing of or transferring his stock without the consent of the others.

What in the United States is known as a close corporation is in Great Britain termed a private company.

Closed. Said when a transaction is finally completed.

Closed for dividend. Means that the stock transfer books are closed pending the payment of a dividend. In Great Britain the term shut for dividend is sometimes used. For additional information see Books closed.

Closed out. Finally disposed of. For instance, when the last of a lot of stock that has been carried (or held) is sold it has been closed out.

Also, when the account of a speculator has been liquidated without his consent because of failure on his part to provide additional margin he has been closed out, or more correctly speaking, his account has been closed out.

Closed trade. A speculative term, meaning a trade (in a stock or in grain, cotton, coffee, etc.) that has been completed. For instance, if a speculator who bought has sold the trade is closed; or, if a speculator who sold short has bought back the trade is closed. Also see Open trade.

Close prices. Prices near together. For instance, a bid and asked price is close when separated by only a small fraction, as 100 bid and 100 1-8 asked. Again, the term applies to a stock or a commodity in which the fluctuations in the price are small or narrow.

In mercantile dealings a close price is one very near to cost—one that allows of only a minimum profit.

The term close price as used on the London Stock Exchange signifies a small difference between the price at which a jobber will buy a stock and the price at which he will sell the same stock; see Jobber.

Closing prices. On the New York Stock Exchange and on other American exchanges these are the prices at which the last sales are made.

On the London Stock Exchange closing prices are the prices at which business is done or at which stocks are quoted at the time when the house (exchange) is closed (4 p. m.); official prices are those at which stocks and shares are quoted in the official list, which is made up at 3 p. m. on ordinary days and at 1 p. m. on Saturdays. "Street" prices are the prices at

which stocks are last quoted in the latest dealings in Shorter's court or Throgmorton street.

CMP. As printed on the tape by the stock ticker these letters mean compromise.

CN. As printed on the tape by the stock ticker these letters mean consolidated or consols.

Co. Abbreviation of the word company; as a prefix it means "together with," as co-assignee, co-administrator, etc.

Coaching traffic. English term for what in the United States is called passenger traffic, or in other words, the passenger business of a railroad.

Coal. See Anthracite coal; see Bituminous coal.

Coalers. A colloquial name for the stocks of the anthracite coal-carrying railroads.

Coal hole. A name given to the basement of a former building at No. 23 William street, New York, where calls of stocks were held and dealings conducted by outside brokers (brokers not members of the New York Stock Exchange) in 1862 and succeeding years. These brokers had no organization, but paid a fee to the owner of the building for the right to enter the Coal hole. Reports of their transactions, however, were printed in the newspapers under the caption "Sales at the Public Stock Board."

For information as to the present manner in which outside brokers conduct business; see Outside market.

Coal stocks. The stocks of the leading anthracite coal-carrying railroads are those of the Central of New Jersey, Delaware, Lackawanna & Western; Delaware & Hudson, Lehigh Valley, and Reading railroads. The Erie; New York, Ontario & Western, and Pennsylvania railroads also are large carriers of anthracite coal, but these roads are more particularly classed as trunk lines.

C. O. D. These letters stand for collect on delivery.

Code. An arrangement of words standing for phrases, numbers or quotations so that telegraph and cable despatches may be sent in private and in condensed form.

Coin. A piece of metal or any alloy of metals stamped by public authority for use as money

United States gold and silver coins are 900 fine—that is, 900 per cent pure gold or pure silver. The gold coins consist

of 900 parts gold alloyed (mixed) with 10 parts silver and 90 parts copper; the silver coins consist of 900 parts silver and 100 parts copper. The nickel coin (the 5-cent piece) consists of 25 parts nickel and 75 parts copper. The bronze coin (1 cent) consists of 95 parts copper, 3 parts tin and 2 parts zinc.

The gold coins now minted are the double-eagle (\$20), eagle (\$10), half-eagle (\$5) and quarter-eagle (\$2.50).

The silver coins now minted are the dollar, half-dollar, quarter or quarter-dollar and dime (10 cents).

The ratio of the gold dollar to the silver dollar is 15.988 to 1 (practically 16 to 1).

The coinage of gold in the United States is free—that is, gold in any form suitable for refining may be deposited in a mint or assay office belonging to the government and after the value of it has been determined by refining and conversion into bars the owner will be paid for it in gold coin. A charge is made for refining the gold, but it is small.

The coins of Great Britain are as follows:

The gold coins are the sovereign (£1 or 20 shillings), equal to \$4.86.65, and the half sovereign (10 shillings), equal to \$2.43.32. Two-pound (equal to \$9.73.31) and five-pound (equal to \$24.33.28) pieces are also coined, but in very small numbers and not for general circulation.

The silver coins are the crown (5 shillings), equal to \$1.21.66; the double-florin (4 shillings), equal to 97.33 cents; the half-crown (2 1-2 shillings), equal to 60.83 cents; the florin (2 shillings), equal to 48.66 cents; the shilling (12 pence), equal to 24.33 cents; the sixpence or half-shilling, (6 pence), equal to 12.16 cents; the three-penny piece or quarter-shilling, equal to 6.08 cents. Very few crowns and double-florins are coined. Four, two and one-penny silver pieces are coined merely for the cabinets of numismatists and for "Maundy money," an ancient charitable fund.

The minor coinage includes the penny (about 2 cents), the half-penny (about 1 cent) and the farthing (about 1-2 cent). These pieces are of bronze.

British gold coins are .916 2-3 fine; the silver coins are .925 fine. The ratio of gold and silver coins is 14.2878 to 1.

Individuals have the right to deposit gold in the mint and to obtain therefor £3, 17 shillings 10 1-2 pence per ounce of

metal of the standard fineness, but the fact that there is considerable delay in coining has caused it to become the practice to deposit gold with the Bank of England, which pays at once £3, 17 shillings 9 pence, the difference of 1 1-2 pence being charged by the bank for interest, etc. The difference is called demurrage. The bank act of 1844 requires the bank to receive gold at £3, 17 shillings 9 pence.

Twenty days elapse between the time when gold is delivered to the mint and the time when it is returned in the shape of sovereigns or other coins. The fee of 1 1-2 pence per ounce which the Bank of England is allowed to charge when it gives sovereigns or other gold coins in exchange for bars or gold in other forms is just equal to 20 days' interest at 3 per cent.

In the Cornwall (England) tin mines to coin means to weigh and stamp blocks of tin.

For the coins of the countries of the world see *Moneys of the world*.

Coinage. The making of coins for use as money. The system of coins used in a country also bears the name coinage.

The coinage of the United States was begun in 1793, when the gold eagle (\$10), silver dollar, silver half-dollar, silver quarter-dollar, silver dime (10 cents) and the copper cent and half-cent were issued.

Coinage act of 1873. This was the act of February 12, 1873, which discontinued the coinage of the silver dollar by omitting it from the list of coins authorized to be minted (manufactured) by the government.

The metal in the silver dollar was at the time worth two cents more than the metal in a gold dollar; in other words, a silver dollar was worth \$1.02 in gold money. Coinage of the silver dollar was resumed under the Bland-Allison act of February 28, 1878.

Coining rate or value. This term, as a fact, applies only to silver. Gold has a fixed value and when a ratio is established between gold and silver gold is made the basis and so many parts of silver are counted as equal to 1 part of gold. In other words, the coining rate of silver is the valuation as compared with gold at which silver is coined, in contradistinction to its actual value as bullion.

The coining rate or value of silver in the United States is

\$1.29.29 per ounce of fine (pure) silver, which makes the ratio between silver and gold 15.988 to 1 (practically 16 to 1).

Coin of the realm. The money of the country; not necessarily the actual metal coins of the country, but its money which passes current. The term is a figure of speech.

Coin value. The value of a metal after its conversion into coins, as distinguished from the bullion value, which is the commercial or market value of the metal.

Collateral. A security pledged for the payment of a loan or an obligation.

Collateral loan. Such a loan is a loan on a promissory note secured by collateral.

The collateral in the case of a Wall Street loan consists of securities (stocks and bonds). It is the custom of banks and other lenders to accept securities as collateral at 80 per cent of their market value. If the market value of the securities declines subsequent to the making of a loan the lender may call for (demand) additional securities. The replenishment of the collateral with additional securities is called remargining. If additional securities are not provided on demand the lender has the right to demand payment of the loan, no matter if it is a time loan and has not matured. If the loan is not paid the lender may without further notice sell the securities by public offering (on the stock exchange or by auction). If the sale of the securities does not realize the amount of the loan the lender may take judgment for the balance and collect it by process of law.

It is the same with a call loan as with a time loan—the additional securities must be provided or the loan repaid or the securities may be sold and judgment taken for any deficiency.

Except when there is an agreement permitting it a lender has no right to retain collateral to secure any loan but the one for which it was to serve as security. It may be recovered by suit and the borrower may also recover any loss which he may have suffered from the unjustifiable detention of his securities.

In New York securities pledged as collateral are said to have been hypothecated.

In London securities pledged as collateral are said to have been pawned.

Collateral note. A promissory note the payment of which

is secured by pledge of collateral, which in the case of a Wall Street loan consists of securities (stocks and bonds).

The following form is customarily used for a Wall Street loan. The form may be used for either a time or a call loan by inserting in the blank space at the beginning of it the date when payable if it is a time note or the word "demand" if it is a call note:

\$..... *New York*,.....190
On.....*Without Grace*, for value received, the undersigned promise to pay to THE THIRTY-SEVENTH NATIONAL BANK OF THE CITY OF NEW YORK, OR ORDER, at its Banking Office in New York City, in funds current at the New York Clearing House, with interest from the date hereof at the rate of.....per cent per annum (payable quarterly on March 31, June 30, September 30 and December 31)
..... DOLLARS,
having deposited with the said Bank as collateral security for the payment of this and any other liability or liabilities of the undersigned or of the guarantors hereof to the said Bank, due or to become due, or which may hereafter be contracted or existing, the following property, viz:.....

.....
.....
.....
of an estimated market value of \$....., and the undersigned also hereby giving to the said Bank a lien for the amount of all the said liabilities upon all the property or securities at any time given unto or left in the possession or custody of the said Bank by or for the undersigned, for safe keeping or otherwise, or in which the undersigned has (or have) any interest, and also upon the balance of the deposit account of the undersigned with the said Bank, existing from time to time.

In case the securities at any time pledged for any of the above named liabilities should decline in market value or for any reason become unsatisfactory to the said Bank, the undersigned agree to deposit with the said Bank additional securities to the satisfaction of the said Bank; and in case of failure so to do forthwith, this note shall become at once due and payable without demand of payment thereof, and the said Bank may immediately sell and apply the said securities in the manner and with the effect as hereinafter provided.

The undersigned do hereby authorize and empower the said Bank, at its option, at any time, to appropriate and apply to the payment and extinguishment of any of the above named obligations or liabilities, whether now existing or hereafter contracted, any and all moneys now or hereafter in the hands of the said Bank, on deposit or otherwise, to the credit of or belonging to the undersigned, whether the said obligations or liabilities are then due or not due; and further agree that in the event of the insolvency of the undersigned all the said obligations and liabilities shall, at the option

of the said Bank, become and be immediately due and payable without demand of payment.

The said Bank is hereby authorized, upon the non-payment of any of the liabilities above mentioned when due, to sell, assign and deliver the whole of the said securities, or any part thereof, or any substitutes therefor, or any additions thereto, or any other securities or property given unto or left in the possession or custody of the said Bank by or for the undersigned, at any Broker's Board or at public or private sale, at the option of the said Bank, without either advertisement or notice, which are hereby expressly waived.

If such securities or property are sold at public sale, the said Bank may itself purchase the whole or any part thereof, free from any right of redemption on the part of the undersigned, which is hereby waived and released.

In case of sale for any cause, after deducting all costs or expenses of every kind for collection, sale or delivery, the said Bank may apply the residue of the proceeds of the sale or sales so made, to pay either one or more or all of the said liabilities to the said Bank, whether then due or not, as it shall deem proper, making proper rebate for interest on liabilities not then due, and returning the overplus, if any, to the undersigned who agree to be and remain liable to the said Bank for any deficiency arising upon such sale or sales.

(Signed)

On the back of the form is printed the following condition :

In consideration of the making, at the request of the undersigned, of the loan evidenced by the within note, upon the terms thereof, and of the sum of one dollar, the undersigned, hereby guarantee to THE THIRTY-SEVENTH NATIONAL BANK of the City of New York, its successors, indorsees or assigns, the prompt payment of the said loan when due, and hereby consent that the securities for the said loan may be exchanged or surrendered from time to time, or the time of payment of the said loan or any of the securities therefor extended, without notice to or further assent from the undersigned, and that the undersigned will remain bound upon this guarantee notwithstanding such changes, surrender or extension. The undersigned waive demand of payment from the maker of said note, and also waive notice of non-payment of the said loan or note, and also waive notice of any sale of the collateral securities held for the said note.

A note in the foregoing form is also known as a stock note because the collateral provided consists of stocks (it may, however, consist of bonds or partly of bonds). Also, because of its stringent provisions the name "ironclad note" is sometimes applied to it.

Collateral trust. A trust fund or obligation secured by collateral.

Collateral trust bond. A bond which is secured by collateral held in trust.

A railroad requiring money may issue collateral trust bonds and place in trust as security for them stocks by the ownership of which it controls other railroads.

Collection. Same as collection item; a general name in banking for promissory note, draft or check which a bank holds for collection from another bank or from an individual.

In general use the term collection means obtaining payment.

Collection charge. A charge made by banks for the collection of checks, drafts, promissory notes, etc., which are payable (collectable) in other places.

The rule of the New York Clearing House Association, which applies not only to its members but to other banks which clear through its members, is that for items collected for the account of or in dealings with the governments of the United States, the state of New York and the city of New York and for items payable in the cities of Boston, Providence, Albany, Troy, Jersey City, Bayonne, Hoboken, Newark, Philadelphia and Baltimore the charge shall be discretionary with the collecting bank.

For items from whomsoever received (except on those points designated as discretionary) payable at points in Connecticut, Delaware, District of Columbia, Indiana, Illinois, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Wisconsin the collecting banks shall charge not less than 1-10 of 1 per cent of the amount of the items respectively.

For items from whomsoever received payable at points in Alabama, Arizona, Arkansas, California, Colorado, Florida, Georgia, Idaho, Indian Territory, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming and Canada the collecting banks shall charge not less than 1-4 of 1 per cent of the amount of the items respectively.

In case the charge upon any item at the rate above specified does not equal 10 cents the collecting bank shall charge not less than that sum; but all items received from one party at the same time and payable at the same place may be added together and treated as one item for the purpose of fixing the amount chargeable.

Collection item. Same as collection; a general name in banking for a promissory note, draft or check which a bank holds for collection from another bank or from an individual.

Collection note. A note delivered to a bank by a depositor in the bank for collection the amount of which is to be credited to the depositor when payment is made.

Colonial stocks. The name applied to the stocks (or bonds) of the British colonies.

Combine. An abbreviation or contraction of the word combination; it applies to a combination of separate concerns or interests by an understanding or compact, as a pool (see Pool), but not by an actual consolidation. To an actual consolidation when the purpose is to control a particular industry or business the term trust is generally applied.

The term ring is sometimes mistakenly used in place of combine; specifically ring refers to a clique or coterie of persons and not to a combination of concerns or interests.

Combine is a newer term than either ring or trust and has been rather loosely used.

Coming out. The London Stock Exchange term for the issuance of securities of a new company or the issuance of new securities by an old company. See For the coming out.

Commerce. The exchange of goods, products or property of any kind, especially such exchange on a large scale, as between states or nations; extended trade.

Commercial. Of or pertaining to or of the nature of commerce; mercantile; employed in or devoted to trade or commerce.

Commercial agency. Same as mercantile agency; a concern which with the cooperation of merchants, manufacturers, bankers and others ascertains, records and makes known to its patrons or subscribers the financial standing, general business reputation and credit ratings of individuals, firms and corporations engaged in mercantile and industrial enterprises.

In addition it compiles reports on the state of trade and on commercial and financial operations generally, including records of failures, judgments, etc.

Commercial bar. This is a bar (ingot) of pure gold or silver. The market price of a commercial bar is usually fractionally lower than that of a government bar (a bar turned out by a government assay office).

Commercial bill or commercial bill of exchange. A bill (draft) drawn against a shipment of products or goods; that is, a draft drawn upon the one to whom the products or goods are consigned. See Domestic exchange; also see Foreign exchange.

Commercial credit. An estimate of the ability and disposition of individuals, firms or corporations to meet their business engagements.

Commercial letter of credit. A commercial letter of credit is an instrument issued by a banker which authorizes the holder to draw upon the issuing banker at sight or otherwise to an amount not exceeding the amount named in the letter. It is stipulated in the body of the instrument that the amount of all drafts negotiated under it shall be indorsed on it so that it shall always show how much of the credit remains. The names of bankers in various parts of the world (correspondents of the issuing banker) who will cash drafts so drawn are printed on the letter. A considerable part of the foreign purchases made by merchants is effected through letters of credit.

Commercial paper. Negotiable instruments calling for the payment of money, issued in the course of business, as bills of exchange (drafts), promissory notes, etc.

As generally interpreted commercial paper means acceptances (drafts or bills of exchange which have been accepted) and promissory notes. Under the head commercial paper properly come drafts drawn against purchasers of merchandise or products and promissory notes made by them; or drafts drawn against manufacturers for materials supplied and promissory notes made by them.

Accommodation paper is included under the head commercial paper when it is made (in the case of a promissory note) or drawn (in the case of a draft or bill of exchange) by a concern or individual for use in mercantile or commercial

business. Accommodation paper consists of drafts or bills of exchange drawn, accepted or indorsed or of promissory notes made or indorsed without consideration by one party to enable another to obtain credit or to raise money.

A promissory note that has been received for goods sold and that has in order to effect its discount (sale) been indorsed by the party who received it is known as a bill receivable.

Single-name paper is paper that is not indorsed; double-name paper is paper with an indorsement.

Another designation for single-name paper is straight paper; in fact it is a common practise to speak of paper without indorsement as straight paper.

Negotiable drafts and notes by reason of the fact that they are negotiable are themselves articles of commerce—articles which may be bought and sold the same as commodities. The varieties of commercial paper are designated by trade names. For instance, the paper made (issued) or the paper indorsed and sold by dry goods commission houses is known as commission house paper; that made by cotton and woolen mills is known as mill paper, and so on.

Bank paper (an abbreviation of bankable paper) is the name applied to paper that is of such good quality that a bank will readily discount (buy) it. Accordingly, it also applies to paper when it bears the indorsement of a bank. The usual manner in which a bank becomes the indorser of commercial paper is in rediscounting. First it buys (discounts) the paper and then it sells (rediscounts) it if it needs cash or if it can make a satisfactory profit by a sale. The paper brings a better price (the discount is less) with the bank's indorsement than it would bring without the bank's indorsement.

Commercial paper when in the form of a promissory note does not as a rule bear interest. The discount in the first instance cannot under the law be greater than the amount of legal interest on it—that is to say, the commercial paper dealer or the bank which takes the note from the maker cannot deduct more than the legal rate of interest, although the dealer or bank may subsequently dispose of the paper at any price he or it sees fit.

The business of buying and selling commercial paper is an extensive one. Many individuals as well as banks are engaged in it. Individual dealers buy from makers at one rate of discount and sell to banks or other dealers at a lower rate. For instance, they will buy at a discount of 5 per cent and resell at a discount of 4 per cent; in such an operation they make a profit of 1 per cent. Banks also resell to other banks.

If negotiable commercial paper pledged to a bank as security for a loan or debt falls due and the bank fails to present it for payment and to have it protested if dishonored the bank is liable to the owner for the full amount of the paper.

Sometimes the owner of commercial paper has the right to demand payment before maturity, as, for instance, when a draft has been protested for non-acceptance and proper notice has been served the holder may proceed against the drawer and indorsers.

It is a common practise of merchants to make out notes payable to themselves and have them discounted. There is often a profit in such a transaction. They may be able to have their paper discounted at 4 per cent, or in other words, may be able to sell it at a discount of 4 per cent and with the cash thus obtained may be able to discount their own bills at 5 per cent, by which is meant that by paying cash for the goods they purchase they may be able to secure a discount of 5 per cent. In such a case there is a profit of 1 per cent in having their own paper discounted and discounting their own bills.

The Bank of France requires three names to paper; the Imperial Bank of Germany requires two names.

Commercial traveler. An agent or representative of a mercantile or manufacturing concern who travels and solicits orders. A colloquial name for a commercial traveler is drummer.

Commission. A fee for services in buying and selling.

The commission charged by a broker on the New York Stock Exchange for executing an order is 1-8 of 1 per cent of the par value of the securities for a sale and the same for a purchase, or as it is commonly expressed, 1-8 each way. For a round-trade (buying and then selling, or the reverse, selling and then buying) the commission on 100 shares of stock or

\$10,000 of bonds is 1-4 of 1 per cent or \$25 (1-8 of 1 per cent or \$12.50 each way).

Also see Three and a shilling; also see Two-dollar broker.

Outside brokers in stocks have no fixed commissions, although their charges are usually the same as those of members of the New York Stock Exchange. Brokers in the outside (curb) market often take an order net, which means that the customer will deliver or receive the stock, as the case may be, at a fixed price. The broker receives no commission but is allowed to make as much on the transaction for himself as he can.

The commission on mining stocks, except on the New York Stock Exchange, is based on the market value of the stocks.

Commissions for round trades (both buying and selling, or the reverse, selling and buying) in commodities are: Grain, 1-4 of 1 cent per bushel or \$12.50 on 5,000 bushels; lard, 5 cents per tierce or \$12.50 on 250 tierces (85,000 pounds); pork, 5 cents per barrel or \$12.50 on 250 barrels; short ribs, 2 1-2 cents per 1,000 pounds or \$12.50 on 50,000 pounds; cotton, 10 cents per bale or \$10 on 100 bales (50,000 pounds); coffee, 8 cents per bag or \$20 on 250 bags (32,500 pounds); silver bullion, 1-4 of 1 cent per ounce or \$2.50 on 1,000 ounces.

The word commission also means an order or an act entrusted to a broker (or agent) to execute or perform, but the word invariably used is order.

On the London Stock Exchange no fixed commission is charged, but 1-8 per cent each way (1-8 for buying and the same for selling) is the customary charge on stock (as distinguished from shares; see Stock) when no commission is charged for carrying over. On shares the commission varies according to the price. Active speculative accounts when opened and closed during a fortnightly period are sometimes undertaken for 1-16 each way. The charge for carrying over bargains is usually one-half the amount charged for opening them; when a carry-over commission is charged the bargain is generally closed without charge.

On the Paris Bourse the commission is fixed at about 1-8 per cent each way.

Commission broker. One who executes orders for a commission.

Commission house. A brokerage house which deals only for customers and does not speculate for its own account.

Commission merchant. One employed to sell goods for another on commission; sometimes called factor or consignee.

Commitment. An act of engagement or pledging; the act of giving an order to buy or sell, as stocks.

Committee for general purposes. The general governing body of the London Stock Exchange, consisting of 30 persons, who are elected on March 25 each year by the members of the exchange.

Commodity. An article of trade. Grain, cotton and coffee are commodities.

Common carrier. A railroad or steamship line or any carrying company which transports goods for hire.

Common stock. Stock not preferred as to dividends or assets; sometimes called general or ordinary stock.

In Great Britain when an ordinary (common) stock has been divided into two parts one part, called deferred, receives no dividend until the other part, called preferred, has received a dividend at a fixed rate. The deferred stock is called A stock and the preferred stock is called B stock.

This B or preferred stock is not the same as preferred stock in the United States. What in the United States is called preferred stock is in Great Britain called preference stock and preference stock in Great Britain may be divided into two or more classes called first preference, second preference, etc., just as preferred stock in the United States may be divided into two or more classes called first preferred, second preferred, etc. When, however, there is but one class of preference stock ahead of an ordinary stock in Great Britain the B or preferred stock is equivalent to second preferred stock in the United States.

Community of interest. This term means joint ownership or joint control for the purpose of maintaining harmonious relations.

When, for instance, one set of capitalists in control of one railroad acquire an interest in a competing railroad with representation in its board of directors and the set of capitalists in control of this second railroad acquire an interest in the other railroad with representation in its board of directors,

with the object of mutual benefit, a community of interest is established. Also, when two competing railroads together acquire control of a third line connecting with both a community of interest is established if the object be mutual benefit.

Commutation or commuting. Same as compounding; the payment of several successive obligations by substituting a lump sum.

Company. In the ordinary acceptance of the word company (referring to a joint-stock company) means the same as corporation. A business company (corporation) is an artificial body, created by law, composed of individuals united under a common name, with power of succession, so that changes in the individuals composing it do not affect the body itself; in law it is treated as a person.

The capital stock of a company (that is, a joint-stock company) is divided into shares of equal amount, as, for instance, a company whose capital stock of \$100,000,000 is divided into shares of \$100 each.

If the financial statement of a stock company is published in such form as to misrepresent its real condition any one who is misled to his damage may recover his loss from the directors whether he is a stockholder or not.

In Great Britain a distinction is made between stock and shares; see Stock.

Company meeting. English designation for a meeting of the shareholders (stockholders) of a company.

Comparison. At the close of business on the New York Stock Exchange messengers employed by brokers compare the day's transactions. If A sells 100 shares of stock to B A's messenger delivers at the office of B a memorandum of the transaction, which is called a deliver ticket, and obtains acknowledgment on another corresponding memorandum, which is called a receive ticket. It is the duty of the seller to compare or to endeavor to compare each transaction at the office of the buyer not later than one hour after the closing of the exchange. It is the duty of the buyer to investigate before 10 a. m. of the day after the purchase any transaction which has not been compared by the seller.

Compensatory damages. The amount adjudged as equivalent to the loss sustained.

Composition. An agreement between a debtor and his creditors by which the latter accept in full payment of their claims a portion of the amounts due. The sum or rate paid or agreed to be paid in compounding with creditors also is called composition.

A composition agreement is strictly interpreted by the courts. For instance, A owes B \$100 and says to him, "If you will release that debt I will pay you \$10 a week for the next five weeks." B agrees. If A fails to make the payment in any one of the five weeks B is no longer bound by his agreement. He may rescind the agreement immediately and sue for so much of the \$100 as he has not received in the weekly instalments, which if kept up would have discharged the debt for \$50.

Composition deed. An agreement between a debtor and his creditors effecting a composition or compromise, usually in a manner which binds the creditors not to molest the debtor.

Compound arbitration of exchange. A calculation based on the rates of exchange between four or more places to determine the difference in the money values of the different countries; or, a calculation based on the money values of four or more places to determine the ratio of exchange between the different places. When only three places are involved in the calculation it is called simple arbitration of exchange.

For additional information see Arbitration of exchange.

Compounding. Same as commuting or commutation: the payment of several successive obligations by substituting a lump sum.

Compounding differences. Settling a contract without executing its complete terms. For example, A buys 100 shares of stock at 100 from B, the stock to be delivered in 30 days. At the end of 30 days the price of the stock is 98 and A pays B \$200 instead of taking the stock.

Compound interest. Interest on interest after it has become due and has been added to the principal.

The interest on deposits in savings banks, for instance, is computed at regular intervals and added to the principal and then interest continues on the whole. Many commercial banks allow interest on daily balances and thus as interest is computed it is added to the principal.

Compound interest is not sanctioned by law in New York

state except by express agreement and the agreement must be made after the simple interest has accrued and upon a new consideration. The correct method in a case of payment by instalment is by what is known as Chancellor Kent's rule: "When partial payments have been made, apply the payment, in the first place, to the discharging of the interest then due. If the payment exceeds the interest, the surplus goes towards discharging the principal, and the subsequent interest is to be computed on the balance of the principal remaining due. If the payment be less than the interest the surplus of interest must not be taken to augment the principal, but the interest continues on the former principal until the period when the payments, taken together, exceed the interest due, and then the surplus is to be applied towards discharging the principal, and interest is to be computed on the balance as aforesaid."

A compound interest table showing the accumulation of principal and interest on \$1 is printed on the two succeeding pages, the interest being compounded (or added to the principal) semi-annually.

COMPOUND INTEREST TABLE.

Interest compounded semi-annually.

Table continued on next page.

Number of Years.	1 per cent.	2 per	3 per cent.	4 per cent.	5 per cent.
1	\$1.0100	\$1.0201	\$1.0302	\$1.0404	\$1.0455
2	1.0201	1.0406	1.0613	1.0824	1.0930
3	1.0303	1.0615	1.0934	1.1261	1.1438
4	1.0407	1.0828	1.1264	1.1715	1.1948
5	1.0511	1.1045	1.1605	1.2188	1.2481
6	\$1.0616	\$1.1267	\$1.1956	\$1.2681	\$1.3004
7	1.0723	1.1494	1.2317	1.3193	1.3643
8	1.0830	1.1725	1.2689	1.3726	1.4264
9	1.0949	1.1961	1.3073	1.4281	1.4913
10	1.1059	1.2201	1.3463	1.4858	1.5592
11	\$1.1170	\$1.2446	\$1.3875	\$1.5458	\$1.6301
12	1.1281	1.2696	1.4295	1.6082	1.7044
13	1.1394	1.2952	1.4727	1.6732	1.7820
14	1.1508	1.3212	1.5172	1.7408	1.8631
15	1.1623	1.3478	1.5630	1.8111	1.9479
16	\$1.1740	\$1.3748	\$1.6103	\$1.8843	\$2.0365
17	1.1857	1.4025	1.6589	1.9604	2.1272
18	1.1976	1.4307	1.7091	2.0396	2.2240
19	1.2096	1.4594	1.7607	2.1220	2.3252
20	1.2218	1.4888	1.8140	2.2078	2.4310
21	\$1.2341	\$1.5187	\$1.8686	\$2.2970	\$2.5415
22	1.2465	1.5492	1.9253	2.3898	2.6572
23	1.2590	1.5804	1.9835	2.4863	2.7781
24	1.2716	1.6121	2.0434	2.5868	2.9045
25	1.2843	1.6445	2.1052	2.6913	3.0367
26	\$1.2973	\$1.6776	\$2.1688	\$2.8006	\$3.1749
27	1.3103	1.7113	2.2344	2.9131	3.3193
28	1.3235	1.7457	2.3019	3.0318	3.4703
29	1.3367	1.7808	2.3715	3.1543	3.6282
30	1.3501	1.8166	2.4432	3.2818	3.7933
31	\$1.3637	\$1.8430	\$2.5170	\$3.4144	\$3.9660
32	1.3773	1.8800	2.5931	3.5523	4.1465
33	1.3911	1.9176	2.6715	3.6958	4.3351
34	1.4051	1.9562	2.7522	3.8451	4.5324
35	1.4192	1.9955	2.8354	4.0005	4.7387
36	\$1.4334	\$2.0356	\$2.9211	\$4.1621	\$4.9543
37	1.4478	2.0765	3.0094	4.3302	5.1798
38	1.4623	2.1183	3.1004	4.5052	5.4146
39	1.4770	2.1608	3.1941	4.6872	5.6610
40	1.4918	2.2043	3.2907	4.8766	5.9288
41	\$1.5067	\$2.2486	\$3.3901	\$5.0736	\$6.1986
42	1.5218	2.2938	3.4926	5.2785	6.4807
43	1.5371	2.3399	3.5982	5.4928	6.7756
44	1.5525	2.3869	3.7070	5.7147	7.0840
45	1.5679	2.4349	3.8191	5.9456	7.4062
46	\$1.5835	\$2.4838	\$3.9345	\$6.1858	\$7.7430
47	1.6017	2.5338	4.0432	6.4357	8.0954
48	1.6178	2.5847	4.1655	6.6957	8.4638
49	1.6330	2.6367	4.2914	6.9662	8.8490
50	1.6494	2.6897	4.4211	7.2477	9.2516

COMPOUND INTEREST TABLE.

Interest compounded semi-annually.

Table continued from preceding page.

Number of Years.	5 per cent.	6 per cent.	7 per cent.	7 3-10 per cent.	8 per cent.	10 per cent.
1	\$1.0506	\$1.0609	\$1.0712	\$1.0743	\$1.0816	\$1.1025
2	1.1028	1.1255	1.1475	1.1530	1.1692	1.2155
3	1.1596	1.1940	1.2292	1.2387	1.2646	1.3400
4	1.2184	1.2667	1.3168	1.3308	1.3678	1.4773
5	1.2800	1.3439	1.4105	1.4298	1.4794	1.6287
6	\$1.3448	\$1.4257	\$1.5110	\$1.5360	\$1.6002	\$1.7957
7	1.4129	1.5125	1.6186	1.6502	1.7307	1.9747
8	1.4845	1.6047	1.7339	1.7729	1.8720	2.1827
9	1.5590	1.7024	1.8574	1.9047	2.0247	2.4064
10	1.6385	1.8061	1.9897	2.0462	2.1899	2.6530
11	\$1.7234	\$1.9161	\$2.1315	\$2.1982	\$2.3687	\$2.9250
12	1.8086	2.0326	2.2833	2.3617	2.5619	3.2248
13	1.9001	2.1564	2.4439	2.5372	2.7710	3.5553
14	1.9903	2.2878	2.6201	2.7258	2.9971	3.9198
15	2.0933	2.4271	2.8068	2.9284	3.2417	4.3216
16	\$2.2027	\$2.5749	\$3.0067	\$3.1461	\$3.5062	\$4.7645
17	2.3142	2.7317	3.2208	3.3800	3.7923	5.2529
18	2.4313	2.8981	3.4502	3.6312	4.1018	5.7883
19	2.5544	3.0746	3.6960	3.9011	4.4365	6.3816
20	2.6837	3.2618	3.9592	4.1911	4.7985	7.0362
21	\$2.8196	\$3.4605	\$4.2412	\$4.5026	\$5.1900	\$7.7574
22	2.9624	3.6712	4.5433	4.8373	5.6136	8.5525
23	3.1123	3.8948	4.8669	5.1969	6.0716	9.4292
24	3.2699	4.1320	5.2136	5.5832	6.5670	10.3957
25	3.4354	4.3836	5.5849	5.9982	7.1030	11.4612
26	\$3.6094	\$4.6506	\$5.9827	\$6.4441	\$7.6826	\$12.6359
27	3.7921	4.9338	6.4088	6.9231	8.3094	13.9311
28	3.9841	5.2343	6.8653	7.4377	8.9875	15.3591
29	4.1858	5.5531	7.3543	7.9900	9.7208	16.9334
30	4.3977	5.8913	7.8781	8.5846	10.5143	18.6691
31	\$4.6203	\$6.2500	\$8.4391	\$9.2227	\$11.3742	\$20.5827
32	4.8542	6.6307	9.0402	9.9087	12.3024	22.6924
33	5.0990	7.0345	9.6841	10.6453	13.3062	25.0184
34	5.3581	7.4629	10.3738	11.4366	14.3920	27.5828
35	5.6294	7.9174	11.1126	12.2867	15.5664	30.4081
36	\$5.9144	\$8.3996	\$11.9041	\$13.2000	\$16.8367	\$33.5249
37	6.2138	8.9111	12.7620	14.1811	18.2105	36.9612
38	6.5284	9.4538	13.6709	15.2353	19.6965	40.7497
39	6.8589	10.0295	14.6446	16.3677	21.3038	44.9266
40	7.2061	10.6403	15.6877	17.5844	23.0422	49.5316
41	\$7.5709	\$11.2883	\$16.8050	\$18.8015	\$24.9224	\$54.6086
42	7.9542	11.9758	18.0020	20.2050	26.9561	60.2059
43	8.3590	12.7051	19.2842	21.8043	29.1857	66.3771
44	8.7800	13.4832	20.6577	23.4250	31.5348	73.1807
45	9.2245	14.7287	22.1290	25.1663	34.1080	80.6817
46	\$9.6915	\$15.6257	\$23.7052	\$27.0309	\$36.8813	\$88.9516
47	10.1822	16.5773	25.3030	29.0400	39.8908	98.0692
48	10.6967	17.5868	27.2022	31.2057	43.1459	107.1213
49	11.2383	18.6597	29.1397	33.5253	46.6666	118.1012
50	11.8072	19.7941	31.2141	36.0151	50.4746	130.2066

Compound interest note. A legal tender note issued by the government in the War of the Rebellion. It was payable in three years with interest at 6 per cent, compounded semi-annually, the interest being payable with the principal at maturity. The ten-dollar note, which was the smallest issued, was worth \$11.94 at maturity.

Compound option. London Stock Exchange name for the call of more, the put of more or the put and call when combined. Another name is double option. In New York a put and call combined are called a spread if two prices are named in it (a put price and a call price) or a straddle if only one price is named in it (at which price the stock may be either put or called).

Comprador. Native commission merchant and intermediary for a foreign business house in China or Japan.

Comptroller of the Currency. The government official who has control of the national banks. National bank examiners are his representatives in the various districts to which they are assigned.

For details of the authority and duties of the Comptroller of the Currency see National bank act.

Computing. Ascertaining by mathematical calculation.

Computing a bill (bill of exchange or draft or a promissory note) consists in calculating the day on which it will become due.

Concession. A term applied to a grant of land or privileges by a government to an individual or to a private concern which is to build a railroad, prosecute mining operations, develop an industry or carry out some undertaking for the public as well as for private benefit.

Concessionaire. An individual or a concern who or which obtains a concession; see Concession.

Condition. State, as good condition (state) or bad condition (state); also terms, as the conditions (terms) of a contract.

For the meaning of the term condition as applied to the crops see Government crop report.

Conditional indorsement. A conditional indorsement contains some condition to the indorser's liability.

Condition of sale. Terms of sale; terms upon which the vendor of property proposes to sell it.

Conducting transportation. Under this head in the report of a railroad company is included all expenses in the transportation of freight and passengers.

Confession of judgment. Said when the debtor admits the debt and concurs in the obtaining of a judgment against him.

Confidence game. A term applied to a swindling operation.

Confirmation. An instrument supplying some defect or omission in a contract thereby making it good.

Confirmatory meeting. English term for a meeting of the shareholders (stockholders) of a company to confirm resolutions passed at a previous meeting.

Confirmed. Corroborated. An order given verbally or by telephone to a stock broker, for instance, is confirmed by repeating the order in writing. Or, an order sent from a stock broker's office to the broker on the floor of the exchange through a telephone operator at the exchange is confirmed when the broker puts himself in direct communication with the office and receives a repetition of the order.

Consideration. Money, property or services given by one party to a contract in return for the promise of some specific future performance or fulfilment by the other party.

It is a common habit to designate the money paid for a thing as the consideration for it.

Consideration is a legal term used in England to designate the sum mentioned in a transfer deed as paid for the stock or shares transferred.

Consignee. The party to whom goods are sent (consigned). Also see Consignment.

Consignment. The designation for goods forwarded which are to be sold by the receiver of them (who is the consignee) for the benefit of the owner (who is the consignor).

Merchants or manufacturers who wish to introduce goods in a market often send a consignment and the goods are sold at the best price they will command in order to bring them to the attention of buyers.

The term also is commonly applied to any shipment of goods.

Consignor. The party who forwards goods—the sender. Also see Consignment.

Consol. An abbreviation or contraction for consolidated stock or bond.

The stock representing the consolidation of the funded debt of Great Britain is called consols. A large part of the public debt of Great Britain, nine separate loans, being in the form of annuities, was consolidated in a 3 per cent stock (or bond) in 1751. In 1888 the 3 per cents were converted into 2 3-4 per cents with the provision that in 1903 the rate should be reduced to 2 1-2 per cent. The price of consols is regarded as the gage of the national credit of Great Britain. The official name of consols is consolidated annuities.

Consolidated annuity. See Consol.

Consolidated bond. A bond in an issue created to refund (take up and replace) two or more previous issues; sometimes called unified bond.

Consolidated mortgage. A mortgage taking the place of two or more mortgages previously existing; sometimes called unified mortgage.

Consolidated Stock and Petroleum Exchange of New York. This exchange was created in 1885 by an amalgamation of the New York Petroleum Exchange and Stock Board and New York Mining Stock and National Petroleum Exchange. On this exchange dealings are conducted in the leading stocks dealt in on the New York Stock Exchange.

Constant. In a financial calculation constant means a fixed value, as the gold constant.

Constitution. The organic or fundamental law of any organized body, as, for instance, the constitution of the New York Stock Exchange.

Construction account. This account in the case of a railroad represents the capital invested in the road and equipment.

Contango. London Stock Exchange term, meaning the charge paid by the buyer for the privilege of continuing his bargain (contract) to the next fortnightly settlement.

Examples: 1-8 to 1-4 contango means that the bull (who is long) pays to the jobber 1-4 per cent for the accommodation and the bear (who is short) receives from the jobber 1-8 per

cent. 1-8 contango to 1-8 back (abbreviation for backwardation) means that the bull pays 1-8 per cent and the bear pays 1-8 per cent. 1-16 contango to even means that the bull pays 1-16 per cent and the bear carries over at even, or in other words, pays nothing. For additional information see Settlement, The.

Contango day. Same as continuation day or making-up day; the first day of the settlement on the London Stock Exchange when arrangements are made to continue bargains (contracts). For additional information see Settlement, The.

Continental bill. A bill of exchange payable on the Continent of Europe. Dealers in quoting exchange name prices for sterling bills (which usually are payable in London) and Continental bills (which may be payable in either Paris, Berlin, Vienna or Amsterdam or at some other place on the Continent).

Continental markets. Paris, Berlin and Antwerp are generally understood to be meant when the Continental markets are spoken of.

Contingent damages. Damages that may be sustained the extent of which cannot at the time be determined.

Contingent interest. An interest that is dependent on the outcome of a speculation or venture or undertaking.

Contingent liabilities. Liabilities that may be entailed the extent of which cannot at the time be determined.

Continuation day. Same as contango day or making-up day; the first day of the settlement on the London Stock Exchange when arrangements are made to continue bargains (contracts). For additional information see Settlement, The.

Continued bond. A bond which is not required to be presented for redemption at maturity but which may be held for a further indefinite period at the same rate of interest or perhaps at a different rate.

Continuing account. Same as current or open or running account; an account that continues and in which a settlement is made at intervals, as every 30 days, 60 days or twelve months.

Continuing agreement. An agreement entered into by a borrower with the bank or other lender from which or whom he regularly borrows money on call. It obviates the making

of a special or separate note each time a loan is effected. It contains all the usual provisions safeguarding the lender.

The form of continuing agreement in use in New York follows:

Know all Men by these Presents, That the undersigned, in consideration of financial accommodations given, or to be given, or continued to the undersigned by THE TWENTY-NINTH NATIONAL BANK OF THE CITY OF NEW YORK, hereby agree with the said Bank that whenever the undersigned shall become or remain, directly or contingently, indebted to the said Bank for money lent, or for money paid for the use or account of the undersigned, or for any overdraft or upon any indorsement, draft, guarantee or in any other manner whatsoever, or upon any other claim, the said Bank shall then and thereafter have the following rights, in addition to those created by the circumstances from which such indebtedness may arise against the undersigned, or his, or their executors, administrators or assigns, namely:

1. All securities deposited by the undersigned with said Bank, as collateral to any such loan or indebtedness of the undersigned to said Bank, shall also be held by said Bank as security for any other liability of the undersigned to said Bank, whether then existing or thereafter contracted; and said Bank shall also have a lien upon any balance of the deposit account of the undersigned with said Bank existing from time to time, and upon all property of the undersigned of every description left with said Bank for safe keeping or otherwise, or coming to the hands of said Bank in any way, as security for any liability of the undersigned to said Bank now existing or hereafter contracted.

2. Said Bank shall at all times have the right to require from the undersigned that there shall be lodged with said Bank as security for all existing liabilities of the undersigned to said Bank, approved collateral securities to an amount satisfactory to said Bank; and upon the failure of the undersigned at all times to keep a margin of securities with said Bank for such liabilities of the undersigned, satisfactory to said Bank, or upon any failure in business or making of an insolvent assignment by the undersigned, then and in either event all liabilities of the undersigned to said Bank shall at the option of said Bank become immediately due and payable, notwithstanding any credit or time allowed to the undersigned by any instrument evidencing any of the said liabilities.

3. Upon the failure of the undersigned either to pay any indebtedness to said Bank when becoming or made due, or to keep up the margin of collateral securities above provided for, then and in either event said Bank may immediately without advertisement, and without notice to the undersigned, sell any of the securities held by it as against any or all of the liabilities of the undersigned, at private sale or Broker's Board or otherwise and apply the proceeds of such sale as far as needed toward the payment of any or all of such liabilities together with interest and expenses of sale, holding the undersigned responsible for any deficiency remaining unpaid

after such application. If any such sale be at Broker's Board or at public auction, said Bank may itself be a purchaser at such sale free from any right or equity of redemption of the undersigned, such right and equity being hereby expressly waived and released. Upon default as aforesaid, said Bank may also apply toward the payment of the said liabilities all balances of any deposit account of the undersigned with said Bank then existing.

It is further agreed that these presents constitute a continuing agreement, applying to any and all future as well as to existing transactions between the undersigned and said Bank.

Dated, New York, the.....day of.....19..

Also see Collateral note.

Contract. A formal agreement between two or more parties; also the writing setting forth and evidencing an agreement and signed by the parties to it is a contract.

It is an accepted rule of law that a contract should be interpreted in accordance with the intention of the parties thereto; and the usage or custom of any particular trade, occupation, business or place when it is reasonable, uniform, well settled and not in opposition to fixed rules of law or in contravention of the express terms of a contract is deemed to form a part of the contract and to enter into the intention of the parties.

Following are the contracts which will not be enforced by the courts unless there is written evidence of them: Contracts for the sale of lands or of any interest in lands: leases for a longer period than one year; every contract that is not to be performed within one year from the making thereof; every special promise to pay the debt of another person; every agreement made upon consideration of marriage except mutual promises to marry; every contract for the sale of personal property for the price of \$50 or more. Other contracts than these are valid though not in writing.

It is the general rule of law that a written contract cannot be orally varied or contradicted by oral evidence.

Contracts falling due on a holiday are settled on the preceding day. When, however, two holidays occur on consecutive days contracts falling due on the first of those days are settled on the preceding day, while contracts falling due on the second of the holidays are settled on the succeeding day.

Contract grade. The grade of grain, wheat or coffee or anything else that is required to be delivered in fulfilment of a contract.

Contract note. In merchandising a contract note is issued when one party has bought goods of or sold goods to another and it contains a description of the goods, the price, time of delivery, time of payment, etc.

On the London Stock Exchange after a broker has bought or sold a stock he sends to his client (customer) a contract note, so-called, showing the amount (or number of shares) and the price, together with all charges.

Contribution. When two or more parties jointly owe a debt and one is compelled to pay the whole of it the others are bound to indemnify him for the payment of their shares; an indemnifying payment is called a contribution.

Contributory. A legal term used in Great Britain to designate the holder of stock or of shares not fully paid up, so that the holder is liable to contribute further calls. The term is generally used in winding up (liquidation) proceedings.

Controlling company. One which controls other companies by ownership of a majority of their stocks.

Convertible bond. A bond that is convertible into or exchangeable for stock.

Cooked account or report. An account or a report that has been garbled or manipulated for the purpose of deceiving. For instance, the financial report of a corporation, as a railroad, that has been made up so as to show a better condition than really exists is said to have been cooked.

Copper. A general designation for the stock of a copper mining company.

Copper is also a slang expression for a reversed proceeding; for instance, if a speculator receives advice to buy a stock and instead sells it short, he is said to have coppered the advice.

The large 1-cent United States coin formerly issued was called a copper.

Corn. In the United States corn means Indian corn or maize; in England it means wheat specifically or wheat, barley, rye and oats collectively.

Corn belt. The states, forming a belt, which are the largest

producers of corn, viz: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, Ohio.

Corner. A corner in a stock is created by the purchase of all the floating or purchasable stock of a company, after which the price of it can be advanced at will. Speculators who are short of the stock and are unable to buy or borrow to make delivery to buyers or to return stock which they have borrowed are in speculative parlance squeezed. They must settle with buyers as best they can.

Similar operations are conducted in grain, cotton, coffee and other speculative commodities.

Corporation. A business corporation is an artificial body, created by law, composed of individuals united under a common name, with power of succession, so that changes in the individuals composing it do not affect the body itself; in law it is treated as a person.

The common name for corporation is company. For additional information see Company.

Corporation seal. The common seal of a corporation (joint-stock company).

Formerly a corporation could execute contracts only by its common seal, but now the use of the seal is not necessary in ordinary business, although it is required in extraordinary matters.

Corporation stock. In Great Britain the term corporation stock means a security issued by an incorporated city, town or borough.

Cost and freight. When goods are sold "cost and freight" the price includes the cost of the goods and the freight charges on them, but does not include insurance.

Cost, insurance and freight. The letters "c. i. f." in a contract of sale of merchandise stand for the words "cost, insurance, freight" and they mean that the price agreed upon is all that the buyer is to be required to pay for the goods themselves, for their transportation to destination and for their insurance while in transit.

The seller furnishes the goods, pays the insurance on them, pays the freight on them, delivers the merchandise to the carrier and forwards the bill of lading to the buyer. His duty is then discharged.

The carrier is an agent of the buyer and delivery to the carrier is equivalent to delivery to the buyer. The seller is entitled to the amount named in his contract whether the goods reach the buyer or not. For loss or damage while in transit the buyer must look exclusively to the carrier or the insurer.

Cotton belt. The states, forming a belt, which are producers of cotton, viz: Alabama, Arkansas, Florida, Georgia, Indian Territory, Kansas, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia.

Cotton bill. A draft (bill of exchange) drawn against the consignee of a shipment of cotton. The bill of lading is attached to (accompanies) the draft and is surrendered on payment of the draft or on the acceptance of the draft.

Cotton contract. The contract recognized by the New York Cotton Exchange is for 50,000 pounds of cotton, in about 100 bales, growth of the United States, to be delivered from a licensed warehouse at the port of New York in the month agreed. The delivery is at seller's option upon 3 days' notice to the buyer and from one warehouse.

Cotton crop year. Begins September 1, when the new crop is ready to be picked.

Coulisse. The outside ("curb") market for securities in Paris, which is conducted under the portico or peristyle of the bourse.

In the coulisse dealings are conducted in securities not dealt in on the bourse, except that there are dealings in rentes in the coulisse as well as on the bourse. A trader or a broker in the coulisse is called a coulissier. There is no fixed commission in the coulisse, but the usual commission is about 1-16 per cent.

Coulissier. A trader or a broker in the coulisse or outside ("curb") market for securities in Paris.

Counterfeit. Counterfeit money is bogus money; that is, money manufactured without authority of law in imitation of genuine money and issued with intent to deceive and defraud.

Counterfoil or stub. A portion of a document permanently retained in a book as a memorandum after the other portion

has been detached by means of a line of perforations or otherwise, as the counterfoil or stub of a check or receipt.

Counter rate. In a transaction in (foreign) exchange the counter or over-the-counter rate is the rate which the dealer in exchange pays for a bill.

Countersigned. Authenticated by an additional signature.

Country bank. In classifying the national banks the Comptroller of the Currency designates as a country bank one which is not situated in a reserve city or a central reserve city.

Country check. Designation for a check on a bank remote from a clearing house.

Country note. In Great Britain this term means a circulating note issued by a bank other than the Bank of England. The Bank of England has the sole right to issue notes in a certain radius of which London is the centre. A note issued by it is designated simply as a bank note.

Coupon. The obligation for interest on a bond that is called a coupon is a printed part of the bond attached in ticket form so that it may be cut off when it becomes due. A coupon may be sold or may be deposited in a bank the same as a check.

Coupon bond. A bond payable to bearer without registration of the owner's name. The holder may clip the coupons and collect the interest called for.

Coupon bonds are preferred for speculative dealings and for temporary investment. They generally sell fractionally higher than registered bonds for the reason that they are more marketable and because a change in ownership requires no formal transfer but merely the delivery and receipt of the certificate.

Sometimes registered coupon bonds are issued. These are bonds the principal of which is payable only to those whose names are inscribed on them as owners and whose names also are registered (entered on the books of the company issuing them), but the coupons calling for the payment of the interest as it becomes due are payable to bearer.

Sometimes, also, coupon bonds are issued which are convertible into (exchangeable for) registered bonds both principal and interest on which are payable to the registered owner. Payment of interest on registered bonds (not regis-

tered coupon bonds) is by check sent to the addresses of the registered owners.

Coupon bonds issued by the United States government are convertible into registered bonds, but there is no provision of law for the conversion of registered bonds into coupon bonds.

When a coupon has been detached from a bond before payment of it is due the tendering of the amount of the coupon in cash supplies the deficiency and makes the bond a delivery.

The English name for a coupon bond is bond to bearer.

Coupon currency. A plan was presented to the Fifty-seventh Congress (1901-2) for paper currency of the denominations of 5 and 10 cents. The name coupon currency was derived from the proposition to print the currency of either denomination in blocks or sheets of five pieces or coupons which could be detached as needed. The coupon currency was to be purchasable in any lawful money of the United States.

The idea was to enable small sums to be sent by mail, although the coupon currency was to be legal tender for amounts not exceeding \$10. The plan did not commend itself for the reason that it involved a return to the use of "shinplasters."

Coupon off. When a bond is sold coupon off the coupon for the current interest payment has been detached from the bond.

Coupon on. When a bond is sold coupon on the coupon for the current interest payment remains attached to the bond.

Also see Coupons attached.

Coupons attached. A bond to which remain attached successive coupons past due. In such a case the value of the coupons depends on the prospect for their payment.

Course of exchange. This is the English name for a report or record of rates of foreign exchange.

In London there is a market for (there are dealings in) bills of foreign exchange (commonly called foreign bills) on Tuesday and again on Thursday in each week at the Royal Exchange. The market begins about 2 p. m. and continues until about 3 p. m. At the conclusion of the market each foreign banker (dealer in foreign exchange) prepares and issues a list of prices, designated as the course of exchange, which gives the prices at which transactions were negotiated.

Course of trade. Trade as it is expanding or contracting in volume.

Court of directors. The assembled board of directors of the Bank of England is called the court of directors.

Court of exchequer. An English court for the trial of matters relating to the crown revenues.

Cover. A term used on the London Stock Exchange, which means the security deposited by a borrower with the lender or by a speculator with a broker to protect the lender or broker against loss. Besides the cover speculators often have to deposit money to protect the lender or broker in case the value of the security deposited as cover falls rapidly. This money is called margin.

Margin is not required to any great extent in London, where credit enters more largely into business in stocks, and in fact in other things, than in New York. When the credit of the client (customer) in London is established his broker does not ordinarily call on him for any cash until the next settlement (see Settlement, The).

Covering. In foreign exchange dealings covering ordinarily consists in paying one bill of exchange (draft) with another. For example, a foreign exchange dealer in New York draws and sells a bill on London due in 60 days. When the bill matures (falls due) he takes it up (pays it) with a demand bill (bill payable immediately) which he has purchased. Again: A dealer in New York draws and sells a bill on London and buys a bill on Paris for an equivalent amount which he forwards to London in cover or discharge (in payment) of the bill which he sold on London.

Covering also is a speculative term, meaning the act of buying stocks or commodities for the purpose of closing short contracts—in other words, buying back stocks or commodities previously sold, but which were not possessed when sold.

On the London Stock Exchange the expression is also used in this sense sometimes; but more frequently it describes the operation by which a jobber, having bought from or sold to a broker, “undoes” the bargain by a fresh purchase or sale with another jobber or broker.

Cowry money or cowry-shell money. The money-cowry or the cowry-shell that is used as money is a beautiful hemi-

spherical shell scarcely an inch long, light straw color and white. Cowry shells abound on the Malabar coast and near the Maldive Islands. They are shipped to England for trade with Africa where they are put up in strings of 100 shells and 50 strings pass for the equivalent of \$1. These shells are also used as currency in Siam where 110 of them are equivalent to 1 cent.

Craze. The term as applied to stocks means an extravagant desire to buy.

Credit. Confidence established by an individual, firm, corporation or government in his or its ability and disposition to fulfil financial obligations. Opposing terms are "in good credit" and "in bad credit."

Property obtained on credit is property received and to be paid for at a future time.

A credit entry in an account is a favorable entry; it is the reverse of a debit entry.

Credit bill. A bill of exchange (or draft) drawn against credit granted by the drawee (the one who is to pay the bill) to the drawer.

Credit currency. Currency issued by a bank for use in transactions where ordinary bank credit available through the medium of checks is not practicable.

For example, a merchant or a manufacturer in New York needing extra funds borrows from his bank, but he does not borrow actual money; he in reality borrows credit against which he draws his checks.

When a farmer needs extra money to harvest his crops or move them to market it is not practicable for him, as a rule, to borrow credit and draw checks against it. He must have the actual money. Advocates of credit currency hold that the banks should be authorized to issue currency for such purposes secured by their general assets in the same manner that the credits which they loan to be checked against are secured. Such a currency, they urge, would be perfectly safe and would be elastic, supplying temporary and local needs and obviating the danger of currency famines.

For additional information see Asset currency; also see Emergency currency.

Credit Foncier. An institution in France which makes loans on real estate; it is an agricultural banking institution.

Credit Mobilier. An institution incorporated in France in 1852 for general financial operations. The same name was borne by a concern chartered in Pennsylvania which in 1863 undertook the construction of the Union Pacific Railroad and collapsed amid scandal.

Credit note. A commercial term; a memorandum or account of goods sent back to the consignor by the consignee to be credited to the consignee. The term also applies to a memorandum transmitted by the consignee to the consignor in which the consignor claims an allowance, as for a shortage in the consignment or for a deficiency in quality, etc.

Creditor. One to whom another is indebted.

Credit slip. Same as paying-in slip; English name for the printed form upon which a depositor in a bank enters the amounts of checks, money, etc., to be placed to his credit in the bank.

Cremation certificate. A certificate that securities have been cremated—destroyed by burning. Such a certificate is furnished to the New York Stock Exchange when former securities have been supplanted by new ones.

Crime of 1873. A phrase applied to the coinage act of February 12, 1873, which discontinued the coinage of the silver dollar by omitting it from the list of coins authorized to be minted (manufactured) by the government.

Advocates of the free coinage of silver later declared that the act was passed surreptitiously. The bill was before Congress two years and ten months before it was adopted. It was printed thirteen times by order of Congress. The debates on it occupied sixty-six columns in the Senate proceedings and seventy-eight columns in the House proceedings. The reason the discontinuance of the silver dollar attracted so little public notice at the time was that the metal in it was then worth two cents more than the metal in a gold dollar; in other words, a silver dollar was worth \$1.02 in gold money. Consequently the silver dollar did not circulate and was practically unknown.

Coinage of the silver dollar was resumed under the Bland-Allison act of February 28, 1878.

Crop report. See Government crop report; also see Weather-crop report.

Cross. When a cross is used as a signature by a person who cannot write the operation is generally described as signing by mark. For additional information see Signing by mark.

Crossed check. The crossed check is not in use in the United States, but it is in general use in Great Britain, where it is recognized and in fact authorized by law.

When a check bears across its face an addition of the words "and company" or any abbreviation thereof between two parallel lines (two lines up and down) or of two parallel transverse lines simply, either with or without the words "not negotiable," that addition constitutes a crossing and the check is crossed generally as distinguished from crossed specially.

When a check bears across its face an addition of the name of a banker, either with or without the words "not negotiable," that addition constitutes a crossing and the check is crossed specially and is crossed to that banker.

When a check is uncrossed a lawful holder may cross it generally or specially. When a check is crossed generally the banker on whom it is drawn must not pay it otherwise than to a banker; when a check is crossed specially the banker on whom it is drawn must not pay it otherwise than to the banker to whom it is crossed.

A banker who pays a check crossed generally otherwise than to a banker or a check crossed specially otherwise than to the banker to whom it is crossed is liable to the true owner.

Crossed checks are generally used in London Stock Exchange transactions. The object in crossing checks, of course, is to prevent their payment to wrongful holders.

Cross exchange. An operation in exchange in which three or more places are involved. For example, a person in New York who has an obligation to meet in London may find it more advantageous to forward to London in payment of it a draft (bill of exchange) on Paris than to forward a draft on London. In such a case exchange on Paris in New York would be cheaper than exchange on London in New York.

Also see Arbitration of exchange.

Cross order. Same as matched order; a stock market term,

meaning an order to buy and sell the same stock, usually for the purpose of making a quotation.

Sometimes a broker receives an order from one customer to buy and from another an order to sell the same stock; then he has a cross order which is not fictitious. On the New York Stock Exchange a broker who has an order to buy and another order to sell the same stock is not allowed to fulfil the orders by entering one against the other. He must make an actual purchase of another broker and an actual sale to another broker.

Cross trade. A stock market designation for a simultaneous purchase and sale of the same stock.

The term cross trade also is a synonym for a wash trade or transaction when a stock is simultaneously bought and sold in order to make a quotation. Cross trading or washing when extensive in a stock is generally for the purpose of inducing speculation in the stock by imparting apparent activity to it. The dealings are fictitious and so are the prices.

Bucketing operations may be carried on by means of cross trades; see Bucketing.

CT. As printed on the tape by the stock ticker these letters mean certificates.

Cum call. With call; on the London Stock Exchange when a stock or share is sold cum call it means that a call has been made and that the buyer will have to pay it; see Call.

Cum dividend. With dividend; on the London Stock Exchange when a stock is sold cum dividend it means that a dividend has been declared or is due on the stock and that the dividend goes to the buyer of the stock. On the New York Stock Exchange the corresponding term is dividend on.

Cum drawing. English term; a bond sold cum drawing includes any advantage to the buyer if the bond is drawn for redemption.

Cumulative consols. On receiving instructions the Bank of England will invest the interest on consols every quarter, adding it to the capital sum. The system is also applied to other British government issues and to some corporation stocks.

Cumulative dividend. A dividend which if not paid regularly or in full accumulates and must be paid in the future.

Cumulative stock. Usually preferred stock the dividend on

which if not paid regularly or in full accumulates and must be paid in the future before a dividend can be paid on the common stock.

Curb market. See Outside market.

Curbstone or curb broker. A name formerly applied to a broker who bought and sold puts, calls and other privileges. Now it means a broker who deals in the outside or curb market.

Currency. That which is in general use and circulation as money; see Money.

Currency, however, is commonly construed as paper money, whether United States notes (greenbacks), gold certificates, silver certificates, Treasury notes (silver-purchase notes) or bank notes.

Coins of a denomination less than \$1 are designated as fractional currency.

Currency act, approved March 14, 1900. Official title of the gold standard act; see Gold standard act.

Currency bond. A bond the principal and interest on which may be paid in any kind of lawful money.

Currency certificate. Sometimes called legal tender certificate; a certificate (or receipt) for United States notes (greenbacks) deposited in the Treasury or in any Sub-Treasury of the United States; of the denomination of \$10,000 (at one time also \$5,000); authorized by the act of June 8, 1872; authorization repealed and issuance discontinued by the act of March 14, 1900.

The certificate bore no interest and was not a legal tender. The notes represented by the certificates were merely a special deposit and the certificate, which was transferable, was redeemable at the place where issued.

Currency certificates were chiefly used in the settlement of clearing house balances and for holding in the reserves of banks.

Currency of a bill. The period between the date on which a bill of exchange (draft) is drawn (or is accepted) and that on which it is due.

Current account or account current. Same as open or running or continuing account; an account that continues and in

which a settlement is made at intervals, as every 30 days, 60 days or twelve months.

In Great Britain a current account (also called drawing account) in a bank is one which may be added to by deposits and drawn against at will—at any time. On the other hand, a deposit account is one in which money deposited remains by agreement for a specified time and draws interest at a specified rate.

Current assets. The current assets of a stock company include all shifting and changeable assets except material and supplies.

In the case of a railroad current assets include (1) cash on hand and deposit; (2) loans and bills receivable; (3) accounts receivable; (4) due from other companies and individuals; (5) due from the company's agents and officers; (6) advances to other companies; (7) sundry assets.

Current liabilities. The current liabilities of a stock company include (1) loans and bills payable; (2) accounts payable; (3) pay-rolls and vouchers; (4) interest and dividends accrued; (5) due to other companies (in the case of a railroad, traffic balances); (6) sundry liabilities.

Custom. Usage which has acquired the force of law by reason of its being continued, peaceable, reasonable and consistent.

Customer. In banking a customer is one who has dealings with a bank, particularly one who borrows money from it; in stock dealings a customer is a broker's principal—the one who employs the broker. The English name for customer is client.

Custom house. The place established by the government where importers of merchandise make entry of it and pay the duty charged on it; also the place where vessels to and from foreign ports are entered and cleared.

Customs or customs duty. The tariff or tax levied or assessed upon articles imported from another country (in some countries it is also levied upon articles exported).

Cut money. In some countries, owing to the scarcity of small coins, large coins formerly were cut into several equal parts and circulated as fractional currency which was called cut money.

Cutthroat mortgage. A mortgage intended to cut off the

mortgagor's right of summons or notice and recourse; but this is an expedient not sustained in equity proceedings.

Cutting a melon. When a company makes a large extra distribution to its shareholders in money or stock the act is colloquially described as cutting a melon.

CV. As printed on the tape by the stock ticker these letters mean convertible, as convertible bonds.

CY. As printed on the tape by the stock ticker these letters mean currency.

Cypher code. Same as code; see Code.

D

D. As printed on the tape by the stock ticker this letter means debenture or division, as debenture or divisional bonds.

D. A. Abbreviation for documentary bill for acceptance; used in foreign exchange dealings. See Documentary bill for acceptance.

Dabbling. In speculation dabbling is venturing incidentally and lightly.

Damages. In law money recoverable as amends for a wrong or harm inflicted; injury such as can be estimated in money.

Damages on protested bills. The penalty allowed by law to the holder of a bill (promissory note or acceptance) which has gone to protest. In most states these damages are in addition to the protest fee and also in addition to interest after maturity.

Dating. This is a term applied to a method of extending credit beyond the period for which it ostensibly is granted.

For example, if a buyer of goods is to receive credit for 30 days and is allowed a 30-day dating the period of credit (30 days) does not begin and the bill for the goods is not dated until 30 days after the purchase (or after the shipment of the goods if shipment is not made at the time of the purchase). Thus, a credit of 60 days is actually granted.

Days of grace. The days, usually three, allowed in some states for payment of a note or bill of exchange after it becomes due as expressed in the obligation itself. For additional information see *Grace*.

Day-to-day accommodation. English term for a loan renewable from day to day.

Day-to-day loan. English term for a loan renewable from day to day.

Day-to-day money. English term for a loan of money renewable from day to day. Known as *call money* in the United States, that is, money returnable on the demand or call of the lender.

Day-to-day option. London Stock Exchange name for an option which continues for only one day. The corresponding term on the New York Stock Exchange is *over-night*.

DE. As printed on the tape by the stock ticker these letters mean *deferred*.

Dead assets. Assets that are unproductive and perhaps of little or no value.

Dead beat. A colloquial name for a person who is notorious for not paying his debts.

Dead duck. New York Stock Exchange term for a speculator who is hopelessly insolvent.

Dead freight. A sum paid by a shipper for freight room engaged and paid for, but not occupied.

Deadhead. Name applied to a person who is accorded a free privilege, as a pass for riding free on a railroad or a frank for sending telegraph despatches free; or who, in fact, obtains any privilege for nothing.

Dead weight. The name given to that portion of the British national debt which is not represented by investments or reproductive expenditure; it includes the permanent debt of the government of Great Britain to the Bank of England, amounting to £11,015,100, which serves as backing for (as security for) a corresponding amount of notes (paper money) issued by the bank. This item appears as a credit item in the weekly return of the bank under the heading "*Issue department*."

Deal. A secret bargain or understanding among persons for the benefit of those engaged in it.

A deal in stocks is a scheme to advance or depress prices ; it is usually conducted with secrecy.

Dealer. In banking nomenclature a dealer is a depositor in a bank who borrows (obtains a loan) from the bank whenever his need for money exceeds the amount which he has on deposit in the bank.

On the London Stock Exchange dealer is another name for jobber, but jobber is the name more commonly used ; see Jobber.

Dear money. Money is dear when it cannot be obtained except at high rates of interest. At such a time securities are likely to be depressed, not because they are worth less, but because money is worth more—the purchasing power of money having increased.

Debenture. A certificate of debt issued by a corporation.

Unless secured by a mortgage it is simply a promise to pay, or in other words, a promissory note. It differs from an income bond only in that it contains a promise to pay a certain amount of interest at stated periods.

In Great Britain a debenture bond or stock is generally thought to be secured by mortgage on real property ; but this is not necessarily the case. The word merely means a debt or promise to pay. By universal custom, however, the debenture bonds or stocks of British companies rank before the preference and ordinary capital ; and as a rule they are secured by a charge on the companies' real property.

In Great Britain the chief difference between a debenture bond and a debenture stock is that a bond is for a fixed amount, while a stock is divisible and may be transferred in multiples of £1 or sometimes even in smaller amounts. Another important difference lies in the fact that a bond is generally a negotiable instrument, transferable by delivery, and is the property of the bearer, with interest coupons attached, while stock is registered in the name of the holder and is transferred by deed, the interest being forwarded to holders by the company.

Debit. A debt recorded in an account. A debit entry in an account is an unfavorable entry ; it is the reverse of a credit entry.

Debit note. A commercial term; a memorandum or account of goods sent back to the consignor by the consignee and debited by the consignee to the consignor.

Debt. A pecuniary obligation; that which one owes to another.

Debt-book. A ledger.

Debt certificate. The commonest form of debt certificate is an interest-bearing bond as issued by a corporation, municipality or government.

Debt of honor. A debt that depends for payment solely on the honor of the debtor.

Debt of record. A debt evidenced by a judgment.

Debtor. One from whom something, as money, is due to another.

Declaration of trust. An acknowledgment that property to which one person holds the title belongs to another for whose benefit the title is held.

Deed. A written instrument of conveyance under seal, as a deed for land.

Deed of gift. A conveyance of property in consideration of love and affection or good will.

Deed of trust. A conveyance of property to a party who is to hold it in trust for another.

Deep level. London Stock Exchange name for the stock of a South African mining company whose workings or levels are deep down in the earth; an "outcrop" mine is worked near the surface.

Defaced coin. One stamped with unauthorized words, letters or marks.

Defaced securities. See Destroyed or defaced securities.

Defalcation. Embezzlement or fraudulent appropriation of money or property held in trust; a deficiency caused by a breach of trust.

Default. Failure to perform or fulfil an obligation, as failure to make payment on a promissory note or acceptance at maturity (when due).

Failure to pay interest on bonds when due constitutes a default and furnishes ground for application for a receivership.

Defaulter. One who misappropriates or fails to account for money or property with which he is entrusted.

On the London Stock Exchange one who has failed to meet his bargains (contracts) is a defaulter and ceases to be a member. For additional information see Hammered.

Deferred bond. In the United States a deferred bond is a bond upon which the payment of interest is deferred for a certain period.

In Great Britain a deferred bond is a bond the interest on which increases on a scale until it reaches the maximum rate.

Deferred ordinary stock. English; also called A stock; receives a varying dividend from the balance remaining after payment on the preferred ordinary stock. For additional information see Deferred stock.

Deferred stock. Stock which is to realize no dividend until some future contingent event, as when the net earnings shall have amounted to more than enough to pay a dividend on the common stock. Deferred stock is rarely issued in the United States.

In Great Britain when an ordinary (common) stock has been divided into two parts, one part, called deferred, receives no dividend until the other part, called preferred, has received a dividend at a fixed rate. The deferred stock is called A stock and the preferred stock is called B stock.

This B or preferred stock is not the same as preferred stock in the United States. What in the United States is called preferred stock is in Great Britain called preference stock and preference stock in Great Britain may be divided into two or more classes called first preference, second preference, etc., just as preferred stock in the United States may be divided into two or more classes called first preferred, second preferred, etc. When, however, there is but one class of preference stock ahead of an ordinary stock in Great Britain the B or preferred stock is equivalent to second preferred stock in the United States.

Deficiency as regards contributories. English term; it means that the creditors may be paid in full, although the shareholders (stockholders), who are the contributories, lose; chiefly used in "winding up" proceedings.

Deficiency judgment. A judgment ordered by the court for any balance of a debt remaining after the security has been sold and the proceeds applied to the payment thereof.

Del credere. The obligation undertaken by a factor or agent when selling goods on credit to hold himself liable in case of the failure of the purchaser to pay.

A del credere commission is a commission charged for guaranteeing the credit or solvency of a person to whom goods are sold.

Delegation. Abbreviated name for letter of delegation; see Letter of delegation.

The term delegation is also used when an original debtor presents to his creditor a third person who becomes obligated in his stead.

Deliver ticket. A memorandum ticket sent by the seller of stocks or bonds to the buyer in confirmation of the transaction previous to the delivery of the securities. For additional information see Comparison.

Delivery, A. Stocks and bonds are a delivery (are deliverable) in fulfilment of contracts entered into on the New York Stock Exchange which meet all requirements of the exchange (see Rules for delivery); others are not a delivery (are not deliverable).

The rules of the New York Stock Exchange are generally observed in transactions in stocks and bonds that take place elsewhere than on the exchange.

The term delivery is also used in dealings in grain, cotton, coffee, etc.

When applied to negotiable instruments the term delivery means transfer of possession, actual or constructive, from one person to another.

Delivery day. In dealings in grain, cotton and coffee the first business day of the month is known as delivery day. As, however, all sales are at seller's option the seller may, on due notice to the buyer, make delivery on any day of the month in which the contract matures.

Delivery of stocks and bonds. The seller of stocks or bonds, when the transaction occurs on an exchange, must deliver the securities and collect for them at the buyer's place of business.

In a transaction on the New York Stock Exchange, where settlements are made daily, the broker who sells a stock regular way (in the regular way) delivers it to the buyer on the following day (except Saturday—when a stock is sold on Friday it is delivered on Monday). In the case of a cash transaction the stock is delivered the same day.

For information as to what constitutes a delivery (often called good delivery) see Rules for delivery.

Demand. As applied to a bill of exchange (draft) or promissory note this term means that the bill or note is payable on demand (on presentation to the one who is to pay it) and that no grace is allowed on it (unless, as in some states and countries, grace is allowed by law).

It is a common practise to speak of a demand bill of exchange (draft) issued by a bank or banker as a check, for it, like a check, is payable on presentation; a time bill is a draft, but as it is not payable on presentation it has not one of the principal requisites of a check. A sight bill is the same as a demand bill except in states and countries where grace is allowed by law on a sight bill.

Demand bill. A bill of exchange (draft) payable on demand (on presentation).

Demand note. A promissory note payable on demand (on presentation).

Demand paper. Paper (promissory notes and bills of exchange or drafts) payable on demand—that is, payable on presentation.

Demonetize. To divest of the character of standard money, as the demonetization of silver.

Demurrage. When railroad cars or vessels are detained beyond the stipulated time allowed for loading or discharging freight a charge for this loss of time is made which is called demurrage.

The charge of 1 1-2 pence per ounce that is exacted by the Bank of England for exchanging gold coin or notes for gold bullion is called demurrage.

Denomination. A designation for an amount in money, or value, as a bill (piece of paper money) of the denomination of \$100 or a bond of the denomination of \$1,000 or a share of

stock of the denomination of \$100 or a Bank of England note of the denomination of £25.

Deport. On the Paris Bourse this word means the same as backwardation in London or the same as premium in New York.

Deposit. A deposit in a bank is money (or checks, drafts, etc.) placed in the bank to the credit of the one so placing or depositing it.

A general deposit with a bank is a deposit received and placed with the funds of the bank to be loaned to customers and used in the general business with other funds of the bank. A special deposit is a deposit for safe keeping; to be kept as received until called for.

Deposit account. In Great Britain a deposit account in a bank is one in which money deposited remains on deposit by agreement for a specified time and draws interest at a specified rate. On the other hand, a current or drawing account is one which may be added to and drawn against at will—at any time.

Depositary. An individual (or firm) with whom funds or property is deposited. It is a common practise to designate as a depositary a bank, trust company or other financial institution with which funds or property is deposited; the correct designation is depository; see Depository.

Deposit book. The book held by a depositor in a bank in which are entered the sums placed to his credit and in which, when a balance is struck at intervals, the amount of the debits also is entered.

Deposit on a contract. A deposit to guarantee the fulfilment of a contract. For additional information see Mutual deposits on a contract.

Depositor. One who deposits money (or the equivalent of money, as checks, drafts, etc.) in a bank to be placed to his credit is a depositor.

A bank agrees with a depositor that it will pay out his money in accordance with his directions and not otherwise. If he orders money to be paid to a specified person and then revokes the order before the bank has either made the payment or obligated itself to do so (as, for instance, by certify-

ing the check) it is the duty of the bank to obey the revocation and refuse to make the payment. If it pays the check notwithstanding the revocation the payment cannot be charged against the depositor.

In a case in New York state an agreement was entered into between the depositor and the bank to the effect that the bank would endeavor to execute all orders revoking checks, but that the depositor was not to hold it liable for damages in case it failed to do so. The bank paid an uncertified check after notice had been given to it not to do so and the court held it liable, notwithstanding the terms of the agreement between the depositor and the bank. The decision was upon the ground that the bank was bound to use ordinary diligence to obey all orders revoking checks and by failure to do so it became liable, as any agent is liable for negligence, notwithstanding its agreement with the depositor.

In New York state the court has held that a bank cannot "disobey his (a depositor's) orders, either wilfully or innocently and then claim a new and different relation with rights inconsistent with such as before existed. In paying a draft after payment has been stopped a bank cannot be protected without an essential change in the accustomed and commonly understood duty which it owes to its depositor or a total disregard of its obligation to him."

Depository. A bank, trust company or other financial institution with which funds are deposited; or a safe deposit company, storage or warehouse company or other concern with which papers or property may be deposited for safe keeping. When an individual or firm receives deposits of money, papers or property the word depository applies.

Deposit rate. The rate of interest allowed by a bank on deposits.

Deposit slip. The printed form upon which a depositor in a bank enters the amounts of checks, money, etc., to be placed to his credit in the bank.

The English name for deposit slip is credit slip or paying in slip.

Depreciated currency. Paper money is a depreciated currency when its purchasing power as compared with gold has

fallen, or in other words, when prices as expressed in paper money have risen.

If 100 gold dollars cost 200 paper dollars gold money is at a premium of 100 per cent and paper money is at a discount of 50 per cent. The same holds true of silver or any other form of money which for any reason is less valuable than the money which is the actual standard.

Destroyed or defaced securities. A new certificate can be secured in place of a destroyed stock or bond by furnishing proof of destruction, together with a bond of indemnity for double the amount of the stock certificate or bond. A defaced stock certificate or bond, if the defacement does not obliterate amounts and names, can generally be exchanged for a new one by ordinary transfer.

Dicker. Designation for a petty business negotiation or trade. To dicker is to bargain or to haggle over price or terms.

Dies gratia. Days of grace.

Dies non. Days on which, owing to some circumstance or event, no business is transacted.

Difference. The difference between the purchase and sale price of a stock; also, the amount of profit or loss on a transaction.

Speculating for differences means that persons buy securities with the intention of later selling them or sell securities short with the intention of later buying them—the sole purpose being to profit by differences between buying and selling or between selling and buying prices.

Also see Market difference.

At a clearing house for banks only differences (or balances) are settled. For information see Clearing house of the associated banks of New York.

For information as to the settlement at a clearing house of differences in transactions in stocks see New York Stock Exchange clearing house.

Also see Ringing out.

On the London Stock Exchange differences are paid or received in each fortnightly settlement on such contracts, or bargains as they are called in London, as are carried over—

that is, contracts under which the receipt and payment (or the delivery and collection) for the securities designated in them is to be continued to the next settlement.

There is an official settling price for each security which is called the "making-up" price. One who carries over (continues) a contract pays or receives, as the case may be, the difference between the making-up price and the price specified in his contract. Then the making-up price becomes the contract price and is the basis for the next settlement, which may or may not be the final settlement, for the contract may be carried over again.

Differential duty. Import duty or tax imposed unequally on the products of different nations.

Differential rate. A lower rate by one transportation line than by another reaching the same point or a lower rate to one point than to another point competing for the same traffic.

Digested. For the application of this word in dealings in securities see Absorbed.

Dime. (Formerly disme). The silver coin of the United States that is worth 10 cents; it weighs 38.58 grains, is .032 inch thick, and its diameter is .7 inch.

Direct exchange. Exchange between two places—that is, between two places in one country or between a place in one country and a place in another country. For example, exchange between New York and Chicago or exchange between New York and London is direct exchange.

Indirect exchange is where three or more places are involved; see Indirect exchange.

Direct liabilities. Obligations or debts which are determined and not contingent and which are an undisputed claim.

Director. A member of a body (board of directors) chosen (elected) by the stockholders of a corporation to direct and manage the affairs of the corporation. The board of directors selects and elects from its members the president, vice-president and other general officers of the company.

The directors of a corporation are usually elected annually. There is, at any rate, an annual election for directors, but when a board of directors is divided into classes the terms of the directors are for more than one year. Thus, if a board of di-

rectors is divided into three classes the directors are elected to serve three years, but each year the term of one class expires. The term of class B (or class 2) expires the year after the term of class A (or class 1) and the term of class C (or class 3) expires the year after the term of class B.

Under such an arrangement, of course, when the board of directors is originally created the directors of class A (or class 1) are elected to serve one year, the directors of class B (or class 2) to serve two years and the directors of class C (or class 3) to serve three years. Thereafter directors are elected to serve the full term of three years, except as vacancies are to be filled, when directors are elected to serve for unexpired terms, whatever the duration of them may be.

A board of directors can act legally only as a board; the action or promise of a director by himself is not binding on the board or on the company.

If a director enters into a contract with his corporation he does not thereby forfeit his position as director. Neither is the contract void, but it is voidable at the suit of any dissatisfied stockholder.

When it is provided by the law under which a corporation is organized or by its by-laws how and when a resignation is to become effective that rule governs. If there is no such provision the resignation becomes effective as soon as it is communicated in writing to the board of directors and its formal acceptance or entry upon the minute books of the corporation is not necessary.

The fee paid to a director for attending a meeting is usually \$10 and the fee is usually paid in a single gold piece.

Directorate. A word sometimes used in place of board of directors.

Director of the Mint. The Director of the Mint is the chief officer of the Bureau of the Mint in the Treasury Department of the United States. He has the general direction of the operations of the mints and assay offices of the United States, subject only to the authority of the Secretary of the Treasury.

Directory. A word sometimes used in place of board of directors.

Direct tax. A tax paid at first hand by the owner of the

thing taxed, as land, in distinction from excise and customs dues.

Disagio. The discount charged for cashing foreign or depreciated currency.

Discharge of record. The entry of a release, satisfaction or acquittance of a debt of record (a judgment).

Discharging a contract. The act of making a contract null.

Discount. The amount taken off; allowance for prompt payment; interest deducted or collected in advance.

A promissory note is discounted when the lender on it deducts (or collects) the amount of the interest on the note at the time he advances money on it.

A bill of exchange (draft) is discounted when the purchaser buys it for less than its face value; the discount is the difference between the face value of the draft and the amount paid for it.

In discounting interest-bearing paper the interest should first be charged on the face amount of the paper and then credited on the amount of the discount. Illustration: At 6 per cent the discount on paper for \$10,000 having one year to run is \$600, but as this \$600 is not paid over interest has to be allowed on it by the lender at the same rate as is charged by the lender on the whole \$10,000. The interest on the \$600 amounts to \$36 which would, therefore, make the sum received by the maker of the paper \$9,436.

When non-interest-bearing paper is discounted the discount is the difference between the face value of the note (the amount which is to be paid at maturity) and the amount paid for the note.

Foreign bills of exchange are not said to have been discounted, but instead to have been sold.

Discount bank. Same as bank of discount; a bank which discounts (buys) promissory notes and bills of exchange.

Discount broker. Same as note broker; one who negotiates the sale of commercial paper (promissory notes and bills of exchange or drafts).

Discount clerk. The particular duty of a discount clerk in a bank is to keep a record of and retain the custody of notes and drafts until their maturity, when they are delivered to the

note teller, who attends to the collection of the amounts due on them.

Discount house. This term is applied to a firm or company in Great Britain which makes a business of discounting bills (the paper of merchants and others).

Discretionary account. In speculation (as in stocks) a discretionary account is an account the handling of which is entrusted to the broker with whom it is opened.

Sometimes fraud is practised by a dishonest broker in handling a discretionary account. Such a broker will retain profit for himself while charging loss to the customer.

One way in which a broker may practise fraud while imparting a semblance of honesty and regularity to an operation is to make an actual purchase and simultaneously make an actual sale; then, after there has been a change (an advance, or a decline) in the price, make another actual purchase and simultaneously an actual sale. The difference between the price at which the first transactions are made and the price at which the second transactions are made the broker may deduct from the amount deposited with him as margin by the customer and keep for himself while reporting it to the customer as a loss sustained. The broker is in a position to show by others with whom he dealt that actual transactions were made, but need not reveal such of the transactions as would disclose sales offsetting the purchases and purchases offsetting the sales, by which one transaction voided another, with the result that, as a fact, no stock was really at any time carried (held) by the broker.

Discretionary order. An order given to a broker to execute in his discretion; entrusting money to a broker to speculate with as he sees fit, but for the benefit or risk of the owner.

For additional information see Discretionary account.

Discretionary pool. Several contribute capital to a pool the manager of which is allowed to use the money in speculation (or in a deal) in his discretion, or in other words, as he sees fit; similar to a blind pool.

Discretionary trust. One requiring for its proper administration by the trustee the application of prudence and judgment.

Discrimination in loans. Means that certain securities are refused as collateral by lenders after having been accepted as security for previous loans. These securities are discriminated against, usually, because a change in market conditions has rendered them especially uncertain in value.

Discussion. A proceeding upon the part of a surety by which the property of the principal is exhausted before resort can be had to the surety.

Dishonored. Said when acceptance of a bill of exchange (draft) is refused on presentation; or when payment of a bill of exchange or promissory note is refused at maturity.

Disme. Former spelling of dime, the silver coin of the United States worth 10 cents; see Dime.

Dissolution. The annulment of a contract; also the ending of a partnership or a corporate existence.

Dividend. A profit paid to a holder of stock.

A cash dividend is one payable in cash, that is, by check which calls for cash; a scrip dividend is one payable in scrip, or in other words, a due bill, usually bearing interest at the legal rate and usually convertible into stock, but having no voting power and entitled to no dividend until converted into stock; a stock dividend is one payable in the stock of the company which declares such a dividend or occasionally in the stock of a company owned by it; a cumulative dividend is a dividend which if not paid regularly or in full accumulates and must be paid in the future; a non-cumulative dividend is a dividend that does not accumulate and therefore if not paid regularly or in full has not to be paid in the future; accumulated dividends are cumulative dividends past due; accrued dividend is the proportion of a regular dividend not yet payable that has accumulated at a given time after the date of payment of the last preceding dividend.

A cash dividend is sent by check to the post office address of the owner of the stock. Due notice of change of address should, therefore, be given. The old address should be given as well as the new one.

When a dividend is paid on a stock during the pendency of a contract for the sale of the stock the seller of the stock receives

the dividend and pays it to the buyer of the stock on the settlement of the contract, together with interest on it.

Brokers charge 1 per cent of the amount of dividends for collecting them or for paying them, but when a dividend is in scrip or stock the 1 per cent is on the market value and not on the par value.

The closing of the stock transfer books of a company establishes the right to dividends as between the company and those who claim the dividend, but it does not affect the rights of a buyer and a seller of stock as between themselves. When stocks are sold at an exchange the rules of that body determine whether the seller or the buyer is entitled to the dividends. In a sale made elsewhere the seller and buyer may make such agreement as may be mutually satisfactory. If the sale is not made at an exchange and the question of the dividend is not determined by mutual agreement the seller is entitled to all dividends on the stock declared before the sale and the buyer is entitled to all declared after the sale. It is of no importance that a transfer may not have been made upon the books or that the stock may not have been delivered or that the dividend is not payable until some time after the date on which it is declared.

When a speculator is short of a stock (has sold stock which he did not own) on which a dividend becomes due he has to pay the amount of the dividend to the person from whom he borrowed stock to make delivery to the one to whom he sold the stock.

Dividend off. Said when a dividend due is not included in the sale. A stock sold ex-dividend is sold with the dividend off.

Dividend on. Said when a dividend on a stock goes with the stock to the buyer.

The corresponding term on the London Stock Exchange is cum dividend; cum means with (included).

Dividend warrant. English name for a check issued in payment of a dividend.

Divisional bond. A bond issued under a mortgage on property in one division of a railroad.

Divisional coin. Same as fractional or subsidiary coin; see Subsidiary coin.

Divisional mortgage. A mortgage covering the property included in one division of a railroad.

Documentary bill for acceptance. A time draft (bill of exchange) drawn on the receiver or consignee of a shipment of property and accompanied by documents. The documents, comprising the bill of lading, policy of insurance, etc., are attached to the draft and are surrendered on the acceptance of the draft by the consignee so that the consignee may at once obtain possession of the property instead of waiting until actual payment of the bill is made.

Example: A in New York makes a shipment of goods to B in London for which payment is to be made at some future time, say in three months. It is not necessary for A to wait three months for his money. A draws on B for the amount of the goods (that is, the amount in money) and attaching to the draft the bill of lading for the goods, with policy of insurance, etc., sells the draft to a dealer in foreign exchange in New York, who forwards it to his correspondent in London. The correspondent in London presents the bill to B in London for acceptance. B writes on its face his acceptance (an acknowledgment of the obligation and a promise to pay it when due) and the bill of lading is surrendered to him. Possession of the bill of lading gives him possession of the goods. In the meantime A has been paid for the goods while B when he formally obligates himself to pay for them knows not only that they have been shipped but also holds (in the bill of lading) title to them.

A draft payment of which is to be made on presentation (a sight draft, in other words) is, when accompanied by documents, termed a documentary bill for payment, as distinguished from a documentary bill for acceptance.

Documentary bill for payment. A draft (bill of exchange) drawn on the receiver or consignee of a shipment of property to which are attached documents, comprising the bill of lading, policy of insurance, etc. On the payment of the draft the bill of lading, together with the other papers, is surrendered to the consignee so that he may obtain possession of the property.

Example: A in New York makes a shipment of goods to B in London for which immediate payment is to be made. A makes a draft on B for the amount of the goods (that is, for the amount in money) and attaching to it the bill of lading for the goods sells the draft to a dealer in foreign exchange in New York, who forwards it to his correspondent in London for collection from B in London. Thus, A receives pay for his goods as soon as they are shipped. He has not to ship the goods, wait for them to reach London, and then wait for a ship to bring back gold in payment for them, nor even to wait for the mail to bring back a draft bought by B in London on some bank or banker in New York; much less has he to wait for B to receive the goods, draw a check on his own (B's) bank in London, and send it to him (A in New York), who would have to sell the check to some dealer in foreign exchange in New York. B, by receiving the bill of lading for the goods when the draft is presented to him for payment, knows not only that the goods have been shipped to him, but also, by possession of the bill of lading, holds actual title to them.

Documentary bill (of exchange). A bill of exchange to which are attached certain documents, usually the bill of lading, policy of insurance and instrument of hypothecation. For additional information see Documentary bill for acceptance; also see Documentary bill for payment.

Documentary commercial bill (of exchange). A bill of exchange drawn against merchandise or manufactures or produce (as grain, cotton or provisions, etc.) to which are attached documents, such as bill of lading, policy of insurance and instrument of hypothecation.

For additional information see Documentary bill for acceptance; also see Documentary bill for payment.

Dollar. The monetary unit of the United States, equal to one-tenth of an eagle, or 100 cents (about 4s. 1 1-3d. English money).

In theory the gold dollar contains 25.8 grains, nine-tenths fine. As a matter of fact the gold dollar is no longer coined, being too small for convenience. The dollar is represented in actual circulation by silver and notes. The silver

dollar weighs 412 1-2 grains (371 1-4 grains of silver and 41 1-4 grains of alloy).

The United States silver dollar was based upon the Spanish milled dollar, the piece which probably first bore the raised and corrugated edge, which was devised to prevent the reduction of the coin by cutting off the rim. The name is derived from the German thaler, which apparently was first issued by a community of Joachims-thal in South Germany, whose pieces were of known purity and unchanging value.

The dollar is also the unit of value of Canada, which is a gold standard country, but has no gold coins of its own. Neither has Canada a silver dollar; its silver coins are of denominations less than \$1. The dollar is also the unit of value of Newfoundland (gold standard). Newfoundland has no silver dollar, but it has a \$2 silver piece and it has pieces of less denomination than \$1.

Coins of other countries comparing with the dollar are the thaler of Germany, Norway, Sweden and Denmark, the pistole or piece-of-eight of Spain, the 20-piastre piece of Egypt, the peso of Mexico and Central America and the gourde of Hayti.

Dollar bond. London Stock Exchange name for a bond the principal of and interest on which are payable in dollars, as is the case with an American bond.

Dollar exchange. Bills of exchange (drafts) drawn in a foreign country and payable in America; so called because payment is to be made in dollars.

Exchange drawn in America for a certain number of dollars, although to be paid in a foreign country in the equivalent in foreign money, is also dollar exchange.

Dollar mark. The sign \$, meaning dollar or dollars when placed before a number; it is, according to some authorities, U S in composite form.

Dollar of the daddies. A name applied to the silver dollar during the agitation for free silver coinage.

Dollar stock. London Stock Exchange name for a stock made out in dollars, as an American stock.

Domestic commerce or trade. Same as home or internal

commerce or trade; commerce or trade exclusively within the limits of a particular country.

Domestic exchange. Also called inland exchange; exchange between two places in the same country; in other words, drafts or orders for money drawn at one place and payable at another place in the same country.

Drafts constitute the commonest form of domestic exchange and are purchased for use as such by both banks and individuals. When drawn against persons to whom merchandise has been sold they are known as commercial bills.

Domestic exchange is calculated in only one kind of money, whereas foreign exchange is calculated in two kinds.

Following is an illustration of the use of domestic exchange: A merchant in Chicago who owes for goods purchased in New York can in discharging his obligation buy of a bank or banker in Chicago a bill of exchange, or in other words, a draft or order for money which is payable in New York by the correspondent (a bank or banker) of the Chicago bank or banker.

Again, a shipper in Chicago may forward grain to New York payment for which is due on the arrival of the grain at destination. He draws a draft or order on the consignee (the receiver of the grain in New York). This bill of exchange is attached to the bill of lading (the receipt from the railroad or other carrying company which transports the grain) and is sold to a bank in Chicago. The Chicago bank sends it to its correspondent bank in New York, which collects and places to the credit of the Chicago bank the amount of the draft (bill of exchange).

If a bank in Chicago, for instance, has an inadequate balance, or in other words, too small an amount to its credit with its correspondent in New York it may pay a premium, or more than the face value of it, for a draft payable in New York to be used in increasing its balance in New York; likewise, in such circumstances, if it sells a draft on New York it may charge a premium, or more than its face value, for it. On the other hand, if it has too large a balance in New York and can find more profitable use for its money at home it may buy a draft on New York only at a discount, or less than its face,

and it may sell one at little or no premium, and perhaps at a discount.

Exchange is in favor of one point and against another point when the necessity for remittance from the second point to the first point exceeds the necessity for remittance from the first point to the second point.

Instead of saying exchange on Chicago or exchange on Boston, etc., it is the common practise to abbreviate the expression to Chicago exchange or Boston exchange, etc.

Domestic exchange loan. There is practically no such thing as a loan of domestic exchange. When a loan is obtained from a bank it ordinarily delivers to the borrower a check on itself made out by its cashier (it is called a cashier's check) which the borrower may use in the place where issued or may transmit to any other place.

The bank will, if desired, furnish to the borrower a draft on a bank in some other place, but this draft lacks many of the characteristics of a bill of exchange. The borrower merely borrows (obtains a loan) and it is a matter of arrangement with the bank as to the form in which he shall receive the amount which he borrows.

Also see Foreign exchange loan.

Domestic exchange rates. Rates for domestic exchange issued in New York are not published. To ascertain the rates it is necessary to make inquiry of banks; the business is almost entirely in the hands of the banks.

At other points the rates on New York and also on a few other important centres like Boston, Chicago, San Francisco, Philadelphia and St. Louis are published. When quoted in cents (or dollars) it is meant that the rate is so much premium or discount, as may be specified, on each \$1,000. In some instances the rate is in percentage—so much per cent premium or discount.

Domestic trade. Same as internal trade or commerce; home trade; trade within the boundaries of a country.

Domiciled. When paper (a promissory note or a bill of exchange or draft) is made payable in a certain place it is domiciled in that place.

Domiciliated. Same as domiciled; see Domiciled.

Dormant account. An account to which neither a credit nor a debit entry has been added for a protracted period; in speculation, an account in which a protracted period has elapsed since entries of transactions were made.

Dormant judgment. A judgment on which the right to issue execution has expired from lapse of time.

Dormant partner. A partner who participates in the profits of the firm, but takes no part in the transaction or control of the firm's business.

Double-eagle. The name given to the \$20 gold coin of the United States; weight, 516 grains; thickness, .077 inch; diameter, 1.35 inches.

Double entry. The system of bookkeeping by which two entries, one credit and one debit, are made of every transaction.

In double entry a day-book, journal and ledger are the essential books, although a cash-book, bill-book, stock-book, invoice-book, etc., are usually added. By the double entry system every transaction is made to appear on the record as both debtor and creditor by observance of the principle that, in every instance, the thing obtained is debtor to the thing given and the thing given is creditor of the thing obtained.

Double liability. When the liability is for a sum double the original amount.

The holder of bank stock who has paid in full for it still is liable up to the amount of its face value in case of the inability of the bank to pay its depositors and other creditors in full.

Double-name paper. Paper (a promissory note or a bill of exchange) that is indorsed. The term two-name paper is sometimes used.

Double option. London Stock Exchange name for the call of more, the put of more, or the put and call when combined. Another name is compound option. In New York a put and call combined are called a spread if two prices are named in the paper (a put price and a call price) or a straddle if only one price is named in it (at which price the stock may be either put or called).

Double price. On the London Stock Exchange the jobber (or dealer), who will either buy or sell, names a price at which

he will buy and another price at which he will sell, as for example, 99 3-4 at which he will buy and 100 1-4 at which he will sell. In such a case the quotation would be printed: 99 3-4—100 1-4.

Double standard. The double standard of values exists where by law it is enacted that gold and silver shall be accepted as a legal tender for debt at an established ratio.

As a matter of fact in all such countries gold is the real measure of value and is admitted to coinage without restriction, while silver is coined only in limited quantities and under governmental restriction to serve as representative money. Silver retains its parity with gold because of the limitations on its coinage and because of the fiat of the government under whose authority it is coined.

The mere possession by a country of the double standard is not the same thing as bimetallism, an essential feature of which is a mint open to the coinage of any quantity of either gold or silver that may be brought to it.

Doubtful assets. Assets the value of which is questioned.

D. P. Abbreviation for document (documentary bill) for payment; used in foreign exchange dealings. See Documentary bill for payment.

Draft. An order drawn by one person on another for the payment of money to a third. It is generally payable at or collectable through a bank or other financial agency. There is practically no difference between a draft and a bill of exchange. The term draft, however, is commonly applied to an order for money payable within the United States, the term bill of exchange being applied to an order payable in a foreign country.

A promissory note is a bill of exchange, but a time draft becomes, in fact, a note upon its acceptance by the drawee—the one upon whom it is drawn. The distinction between a draft and a check is material in some respects. A draft is dependent for its payment upon its acceptance by the person on whom it is drawn. In case the one on whom it is drawn refuses to accept it or pay it no criminal liability attaches to the drawer, whereas a check is drawn against a supposed deposit of money or a previously established credit and should there be

no funds to meet it the drawer is liable to criminal prosecution, and a refusal of the bank on which a check is drawn to pay it, if there are funds in hand, subjects the bank to civil action for injury to the drawer's credit and reputation.

After a draft is accepted it becomes a promise to pay on the part of the acceptor and he can be held thereon as on a note.

The holder of a draft who gets it discounted at his bank must indorse it and thus he also becomes responsible for it. If it goes through several hands each holder must indorse it before parting with it. It acquires strength with each indorsement since all the persons who have indorsed it are successively responsible for its payment.

In the case of a draft made in one state and accepted for payment in another state any question as to its legality must be tested in the state where it is payable. When the question of interest is involved interest is chargeable at the legal rate of the state where the draft is payable.

Also see Bill of exchange.

Drawback. Same as rebate; when part of an amount paid is returned such return is designated a drawback.

A drawback on imported goods on which duty has been paid is a repayment, in part or in whole, of the duties upon the subsequent exportation of the same goods in their original or in another form.

A drawback on freight rates is a repayment, in part, of the rates (or charges).

Drawee. The party who is to pay a bill of exchange or draft (or other order for the payment of money).

Drawer. The party who draws (issues) a bill of exchange or draft (or other order calling for the payment of money).

Drawing account. In Great Britain a drawing account means a bank account which permits the drawing of money at any time; a deposit account means money left in the bank for a stated period at an agreed rate of interest.

Drawn bond. One drawn for redemption, that is, for payment.

Such a bond belongs to an issue a certain amount of which (so many bonds) is drawn for redemption at stated intervals.

A drawing takes place and the bonds bearing the numbers drawn are redeemed. The numbers are drawn by a disinterested person from a box, basket or other receptacle.

Drive. A stock market term, meaning a vigorous attempt to force prices down; an onslaught.

Drummer. A colloquial name for a commercial traveler; an agent or representative of a mercantile or manufacturing concern who travels and solicits orders.

D. R. W. These letters stand for *Deutsche reichs waehrung*; that is, German imperial currency (money).

Dry exchange. Term for the act of disguising and covering usury by which something was represented as having passed on both sides when in fact nothing passed on one side.

Ducats. A colloquialism meaning money. For instance, to say "I have the ducats" means I have the money.

Due. Owing and demandable.

Due bill. A written acknowledgment of debt.

In some cities checks are not certified by banks, but instead due bills, so-called, are employed. When guaranty of the payment of a check by a bank is desired the check is delivered to the bank which retains the check and issues in place of it a due bill payable by the bank itself. This due bill may be deposited in another bank and collected through the clearing house the same as a check.

A due bill given in a stock transaction for a dividend declared but not yet payable does not carry interest—that is, interest on it cannot be collected by the holder of the due bill from the maker of it.

Dull. This word when applied to markets has a different meaning in New York and London. In New York it merely means quiet; in London, quiet and inclined to weakness.

Dumb bid. Said when the amount which the owner of property offered at auction is willing to take is secretly communicated to the auctioneer and no lower bid is to avail.

Dummy director. One who has been elected a director to serve temporarily (as in an interim) or to represent some one else or to meet legal requirements.

In the organization of a new corporation (company) it is

often the case that the board of directors as at first constituted is a dummy board which is succeeded by a real board.

Dummy incorporator. One who serves in place of a real party in interest to meet legal requirements.

In the organization of a new corporation (company) it is often the case that the incorporators are dummies who serve either for convenience in effecting the incorporation or for the purpose of concealing the identity of the real parties in interest.

Dummy stockholder. One who holds (in whose name is made out and stands) stock which in fact belongs to another.

It is a common practise for large owners of stocks to have their stocks made out in the names of clerks and brokers. The purpose is to conceal the actual ownership.

When a broker buys stock for a speculator the certificate is not made out in the name of the speculator. A certificate signed (assigned) in blank (see Assigned in blank) by the original owner is received by the buying broker from the selling broker and this certificate may on the resale of the stock be delivered to the new buying broker, and so on, the same certificate continuing to serve indefinitely in transactions.

Dun's. The name of one of the commercial agencies.

Duplicate check. When a check has been lost or stolen payment of it is stopped (see Stop payment) and a new check is issued, usually bearing the same date and number. Transversely (up and down) across the face of it is written, generally in red ink, the word "Duplicate."

Dutch standard. A standard of qualities or grades of sugar formerly recognized in commercial usage and in tariff legislation. It consisted of 16 samples, representing as many different grades of purity, from the darkest to the whitest, put up under the seal of the Dutch government—the government of the Netherlands (Holland).

Duty. An impost, particularly a tax upon goods imported (and in some countries upon goods exported).

E

E. As printed on the tape by the stock ticker this letter means east or eastern.

Each way. When a commission of so much each way is charged by a broker in stocks or commodities (grain, cotton, coffee, etc.) the commission for buying is one way and the commission for selling is the other way.

Eagle. The name given to the \$10 gold coin of the United States; weight 258 grains; thickness .060 inch; diameter 1.05 inches. The name is derived from the likeness of an eagle stamped upon the coin. A double-eagle is a \$20 piece, a half-eagle is a \$5 piece and a quarter-eagle is a \$2.50 piece.

E. & O. E. Errors and omissions excepted; an amplification of E. E. Brokers and also merchants append these letters to their accounts so that they may not be prevented from correcting errors and supplying omissions which afterward may be discovered.

Earnest money. Money given to bind a bargain. Arrha, the Latin designation, is occasionally used.

Earnings. The earnings of a company are its receipts.

For particular information as to the earnings of a railroad see Railroad earnings.

Easier. Said when rates, prices or markets are lower.

E. E. Errors excepted. See E. & O. E.

Effective circulation. Money in the Treasury and owned by the government and that in circulation and in banks. This is available money—that is, money that is in use or can be put in use.

Elastic currency. Elastic currency is currency the volume of which would be regulated automatically by the demands of business. In order to attain that end it would be necessary to authorize the issue of circulating notes by banks under such conditions as would make it profitable to the banks to increase the volume of their outstanding notes in times of trade activity and large demand for money and make it expensive for them

to maintain a large volume of outstanding circulation in times of business depression and stagnation in the money markets.

Various propositions to provide for such a currency have been advanced, all based on the theory of note issues secured, at least in part, by the general assets of the banks instead of by a deposit of bonds and regulated by a graduated tax on the amount of circulation issued, the high tax being expected to discourage excessive issues, except at times when the need for more money is marked and imperative and when its absence would result in stringency and abnormal interest rates, thus discouraging enterprise and restricting business.

There was a plan at one time for an elastic currency based on bonds. It was proposed that the government should issue bonds which might at will be converted by the holders into currency and which might be reissued by the government for currency. The bonds were to bear interest only while outstanding. It was assumed that when money was in excessive supply the bonds would be held in preference to currency, while on the other hand, when the supply of currency was inadequate the deficiency could readily be made up by converting bonds into currency. The bonds were to be sold by the government for gold which was to be held as a special fund so that when bonds were turned back to the government the currency exchanged for them would be secured by the gold received for the bonds. Two objections to the plan were raised and caused it to be abandoned. One objection was that the proceeds of the bonds would not be available for the general purposes of the government. The other objection was that the plan made the government responsible for the regulation of the money market and imposed an additional tax on the people to the extent of the interest paid on the bonds.

As far back as 1869 a plan for an elastic currency was laid before Congress. It was known as the 3.65-bond plan. It was proposed that the government should issue bonds bearing interest at 3.65 per cent a year, both principal and interest payable in greenbacks (United States notes). Holders of the bonds were to be permitted to exchange the bonds for greenbacks at any time and to receive interest at the rate of 3.65 per

cent (1 cent a day on each \$100) while they had been outstanding. Likewise, holders of greenbacks were to be permitted to exchange greenbacks for the 3.65 bonds at any time. The scheme was pronounced ingenious but unstable and nothing came of it.

Also see *Asset currency*; also see *Emergency currency*.

Embezzlement. Fraudulent appropriation of money or property held in trust; a deficiency caused by a breach of trust.

Emergency currency. The name applied to currency intended for temporary use in times of acute money stringency or financial panic. Many plans have been offered to provide for such an issue. The object has been attained indirectly in times past by the voluntary action of clearing house associations in many cities.

For example, in 1893 the clearing houses in New York, Boston and Philadelphia issued in the aggregate \$63,900,000 in clearing house loan certificates. These certificates were used in the settlement of balances between the member banks and an equal amount of money was released to supply the void made in the circulating medium by the heavy gold exports and the withdrawal of money from the banks for hoarding and for current hand-to-hand use. In some Southern cities the clearing houses issued loan certificates in as small amounts as 25 cents for popular circulation, so urgent was the demand for currency. The question of the legality of this latter action was not raised at the time because the crisis was so acute that wisdom seemed to forbid any questionings that might make it worse.

It is urged, however, by the advocates of an authorized method of emitting an emergency currency that definite legal means should be devised for similar situations in the future. Some advocate the organization of state clearing associations empowered to act under the combined credit of all the member banks; others would give to individual banks, acting under the approval of the Comptroller of the Currency, the right to emit temporary notes; while still others urge the organization of a great central bank, in which the other banks shall be stockholders, which shall have the power to provide a temporary note issue for such emergencies.

Also see *Asset currency*; also see *Elastic currency*.

Emission. Issuing or putting forth, as emission of bonds. An emission is the thing (or things) issued or put forth, as an emission of bonds or an emission of bank notes.

Encash. To pay in money; for instance, to encash a check, draft or note is to pay it in cash.

Endless chain. Name given to the process by which gold is taken from the Treasury by the presentation of United States notes (greenbacks), which, not being cancelled and retired, are reissued and become again available for the same purpose.

Since the resumption of specie payments in 1879 nearly twice the amount of United States notes in existence has been redeemed in gold without extinguishing any of the debt they represent. The process is employed when gold is wanted for export or for hoarding in times of panic.

During the years 1894, 1895 and 1896 commercial depression and fear that the monetary system of the country would be overturned by the success of the agitation for free silver coinage caused such enormous withdrawals of gold from the Treasury that four separate issues of bonds, amounting in all to \$265,000,000, were found necessary to maintain the gold reserve and prevent the suspension of payments on United States notes and Treasury notes. The Treasury notes are gradually being retired, but the United States notes, of which there are, in round numbers, \$346,000,000, can only be retired by an act of Congress. So long as they are in existence they can still be used over and over for the withdrawal of gold from the Treasury.

Endorse. See *Indorse*, which is the spelling preferably used in business and in law.

Enface. To write or print on the face, as to certify a check or accept a bill of exchange (draft).

Enfaced paper. A term applied to the promissory notes issued by the Government of India (known as rupee paper) when they bear on their face notification that interest on them can be collected by presenting the notes at the Bank of England in London. The interest is paid in drafts payable in India. These drafts are readily bought by parties having remittances to make to India.

Enforced covering. Compulsory buying to cover (close) short contracts in stocks or bonds or in grain, cotton, etc.

Engagement. Commitment; an obligation assumed; a contract entered into; a promise.

As a commercial term engagement means the securing of freight room in a vessel.

Engrossing the market. Buying stocks or commodities in large quantity in order to have command of the market.

Entrepot. A distributing commercial centre, whether a seaport or inland town, especially a port where goods are stored until re-exported or until duties are paid; a depot or storehouse.

Equipment. The equipment of a railroad, as the term is commonly used, means its cars and locomotives.

Equipment bond. A bond in an issue created by a railroad to acquire rolling stock and secured by a mortgage thereon.

Equity. The equity in property is the difference between the value of property mortgaged or otherwise encumbered and the amount of the obligation (debt) to secure which the property is pledged.

Thus, the equity in a loan is the difference between what the securities pledged as collateral are worth and the amount borrowed on them. As a rule securities are accepted as collateral by lenders of money at about 80 per cent of their market value—that is, a lender will lend \$80,000 on securities of the market value of \$100,000 or will lend \$100,000 on securities of the market value of \$125,000.

Equivalent. This word when applied to the price of a stock means a price that is equal to the price for the same stock when it is quoted on a different basis.

The price in London of an American stock is equivalent to the price in New York when the stock is selling in London at a price which, after allowing for the difference in the method of quoting, is equal to the price at which the stock is selling in New York.

In dealings in American stocks on the London Stock Exchange 4 shillings is counted \$1. Four shillings being equal to 97 1-3 cents the price of an American stock must be 2 2-3 per cent (quotably 2 5-8 per cent) higher in London than in

New York if the London price is to be equivalent to (or at a parity with) the New York price. Not 2 5-8 per cent of the face value is to be added arbitrarily to the New York price, but 2 5-8 per cent of the New York price, whatever it may be, is to be added to the New York price to make an equivalent London price.

Thus, for a stock selling at 50 in New York the equivalent price in London would be 51 3-8 (while the fraction 3-8 is not strictly correct it is quotably correct): For a stock selling at 100 in New York the equivalent price in London would be 102 5-8. Conversely, for a stock selling at 100 in London the equivalent price in New York would be 97 3-8 and for a stock selling at 50 in London the equivalent price in New York would be 48 5-8.

In grain there is a normal difference in price between two markets equal to the cost of transporting the grain from the market where the lower price prevails to the market where the higher price prevails. When the difference is normal equivalent prices prevail. It is the same in cotton, etc.

Estimated car lots. A grain trade term, meaning lots (number of cars) expected at Chicago and other primary grain markets on the day following the estimate.

Even. When a broker has bought and sold the same amount of the same stock he is even and has not to receive or deliver that particular stock if it is on the list of stocks cleared at the New York Stock Exchange clearing house. If his transactions are not in stocks on the clearing house list, then he has to receive and deliver the stocks. If, however, he has bought from and sold to the same broker the same stock he can pair off—neither receive nor deliver, but simply settle differences.

On the London Stock Exchange the continuation rate on a security is even when no charge—backwardation or contango—is made for continuing bargains until the next settlement. See *At even*.

Evening up. A stock market term, meaning the securing of profit to offset a previous loss. Thus, a speculator who sustained a loss in a stock of which he was short may turn about and go long of the stock and make up his loss; or a speculator

who lost in one stock may make up his loss in another stock.

Also, in *arbitrage* operations in stocks (see *Arbitrage*) when a dealer buys more than he sells he subsequently sells enough additional to make up the difference, thus equalizing or evening up.

Even lots. In stocks lots in multiples of 100 shares.

Ex. Without or not including, as *ex-dividend* or *ex-interest*.

Ex-all. London Stock Exchange term, signifying that a stock is selling *ex-dividend* and rights or *ex* any two or more privileges simultaneously offered to the shareholders (stockholders) of a company, such as the right to subscribe for new stock of the company or for new stock of a controlled company or for new stock of two or more controlled companies. When a stock is sold "*ex*" it means that the buyer has no claim upon the dividend or rights or bonus, or any other advantage recently declared or due. *Ex* is the opposite of *cum*.

Exchange. The payment of an obligation in one place by the transfer of a credit from another place. By this operation the obligation is discharged without the direct forwarding of money.

Exchange, in itself, is an order obtained in one place for the payment of money in another place. Exchange is divided into domestic exchange and foreign exchange, but the same principles obtain in both.

In the United States the term *exchange* (whether referring to foreign exchange or domestic exchange, but specifically in referring to foreign exchange) is used, whereas in Great Britain the custom is to use the term in the plural, viz: the *exchanges*. The term is, of course, derived from the exchanges of moneys and credits. It is the common practise in the United States to say *exchange* when bills of exchange are meant; and likewise the term *exchange* is generally construed as meaning *foreign exchange*.

There is practically no difference between a bill of exchange and a draft. The term *bill of exchange*, however, is commonly applied to an order for money payable in a foreign country, whereas the term *draft* is applied to an order payable within the country of its origin.

For additional information see Domestic exchange; also see Foreign exchange.

The term exchange also means a place where purchases and sales are made, as stock exchange.

Exchange broker. One who acts for others in selling and buying, more particularly selling, exchange. The usual commission charged by a broker is 1-8 per cent for selling domestic exchange and \$1 per £1,000 (roundly \$5,000) for selling foreign exchange.

Exchange loan. See Foreign exchange loan.

There is practically no such thing as a loan of domestic exchange. When a loan is obtained from a bank it ordinarily delivers to the borrower a check on itself made out by its cashier (it is called a cashier's check) which the borrower may use in the place where issued or may transmit to any other place. The bank will, if desired, furnish to the borrower a draft on a bank in some other place, but this draft lacks many of the characteristics of a bill of exchange. The borrower merely borrows (obtains a loan) and it is a matter of arrangement with the bank as to the form in which he shall receive the amount which he borrows.

Exchange operation. A transaction in domestic or foreign exchange.

The term exchange operation is also a London Stock Exchange designation for a hedge on an option or privilege, as selling a call against a put bought or buying a put against a call sold. The purpose is protection against loss.

Exchange quotations. Same as exchange rates; see Exchange rates.

Exchange rates. The basis of all exchange rates is the rate for sight exchange (that is, a bill or draft which is payable at sight, which means on demand or presentation).

The rate for a time bill or long bill (one payable at a specified future date) is the rate for a sight bill, less interest on the amount of the bill from the date of its issuance to the date of its payment. This allowance for interest is made because the seller of the bill has the use of the money paid by the buyer for it until its payment. Interest is figured at the rate prevailing where the bill is payable for the reason that the bill is

domiciled or domiciliated there, which is another way of saying that the place of its payment is the place of its legal existence, or rather will be after its acceptance, and the presumption is that it will be promptly accepted by the one upon whom it is drawn on its presentation to him.

Rates for domestic exchange issued in New York are not published. To ascertain the rates it is necessary to make inquiry of banks; the business is almost entirely in the hands of banks. At other points the rates on New York and also on a few important points like Boston, Chicago, San Francisco, Philadelphia and St. Louis are published. When quoted in cents (or dollars) it is meant that the rate is so much premium or discount, as may be specified, on each \$1,000. In some instances the rate is in percentages—so much per cent premium or discount.

For information as to rates for foreign exchange see *Foreign exchange rates*.

Exchanges. The exchanges at a clearing house are the items (checks, drafts, etc.,) which are presented by creditor banks (banks which hold them for collection) and are received by debtor banks (banks which are to pay them). In the operation of making exchanges each bank presents the items which it holds against all other banks and receives in return the items which all other banks hold against it.

For additional information see *Clearing house of the associated banks of New York*.

Exchanges, The. In the United States the term exchange (whether referring to foreign exchange or domestic exchange, but specifically in referring to foreign exchange) is used, whereas the practise in Great Britain is to use the term in the plural, viz: the exchanges. The term is, of course, derived from exchanges of moneys and credits. It is the common practise in the United States to say exchange when bills of exchange are meant; and likewise the term exchange is generally construed as meaning foreign exchange.

Exchequer. The treasury of a state; also, colloquially, the finances or pecuniary resources of a person, firm or corporation.

Exchequer bill. An interest bearing promissory note for-

merely issued by authority of the British Parliament. It could be used in payment of taxes at its face value. No exchequer bills are now in existence.

Exchequer bond. A security issued by the British government representing a part of the unfunded debt; it is of a more permanent character than a Treasury bill inasmuch as it runs for a longer period. Principal and interest are paid out of the consolidated fund.

Ex-coupon. A bond is sold ex-coupon when the coupon for the current interest payment is detached.

Ex-dividend. Without or not including dividend. On and after the day the transfer books of a corporation close for the payment of a dividend the stock sells ex-dividend; that is, the stock does not carry with it to the buyer the dividend that has been declared on it.

Ex-drawing. English term; a bond sold ex-drawing does not include to the buyer any advantage that the bond may derive if drawn for redemption.

Executive committee. The executive committee of a board of directors has power to act in all matters except such as are (by the company's charter, articles of incorporation or by-laws or by the statutes) restricted to the board of directors as a whole.

Ex-elevator. A grain trade term, meaning out of elevator; similar to ex-store; see Ex-store.

Exemplary damages. Same as punitive damages; an amount allowed as punishment for a malicious or aggravated injury.

Exhaust price. The point at which the margin in a speculative transaction is exhausted and at which the broker will close the transaction if the margin is not replenished.

Ex-interest. Without interest or not including interest.

Registered bonds sell ex-interest the same as stocks sell ex-dividend when the books are closed (see Books closed). If a registered bond, say a 4 per cent bond with the interest payable semi-annually, is selling at 98 while a coupon bond of the same issue is selling at 100 it is because interest goes with the coupon bond while it does not go with the registered bond.

Ex-lake. A term applied to grain or any freight that has

been transported part of the way by lake and the remainder of the distance by canal or railroad.

Ex-new. London Stock Exchange term, signifying that a stock is selling without the right to participate in an allotment of new stock.

Export bar. A name given to a bar or ingot of fine (pure) gold containing \$8,000 worth of the metal. The name is derived from the fact that bars of this size are customarily used in export shipments of gold when the shipments are in bars instead of coin.

Also see *Jeweler's bar*.

Exporter's credit. Exporter's credit is given when an exporter is allowed to draw on a dealer in foreign exchange in advance of an actual shipment abroad by him; when he makes his shipment he discharges his obligation by delivering the draft drawn against the consignee of the property shipped, together with the bill of lading, to the dealer in exchange to whom he is indebted.

Exporting countries. Grain producing countries which grow more grain than they consume and sell the surplus to foreign countries. Argentina, Australia, Hungary, India, Roumania, Russia and the United States are the leading exporting countries.

Exports. Goods or any articles of trade or commerce sent out of a country to another country.

Export trade. Goods or any articles of commerce sold and shipped to other countries; another name is outward trade.

Express company money order. A bill of exchange (draft) sold by an express company. It is forwarded by mail to the payee (the one to whom the amount of it is to be paid) the same as a bill sold by a bank or banker.

Express contract. One in which the terms and stipulations of the agreement are specifically set forth.

Express damages. A legal term; actual or real damages.

Ex-rights. A stock that is sold ex-rights does not convey to the buyer the privilege to participate in any right (as the right to subscribe for new stock or for new stock of a subsidiary concern) that may recently have been granted to holders.

Ex-ship or ex-steamer. A mercantile term; goods sold ex-

ship or ex-steamer are sold free out of the vessel (free of charges up to the time of discharge from the vessel). The seller's responsibility ceases as soon as the goods have left the vessel. Free overside has the same meaning.

Sometimes the term *ex* is used in connection with the name of a vessel, as *ex-steamer Ocean* or *ex-ship Wave*. In such a case the name of the vessel is used for the purpose of designating the particular vessel by which the goods arrived as well as to indicate that the goods are free out of the vessel.

Ex-store. A commercial term, meaning out of store. In a transaction *ex-store* the buyer (of grain, for instance) must pay cartage, lighterage or other charges after leaving the storage warehouse or elevator.

EXT. As printed on the tape by the stock ticker these letters mean extended or extension, as bonds extended beyond the date of their maturity or bonds issued under a mortgage on an extension of a railroad.

Extended. When an obligation has been continued beyond the time originally set for the payment of it the obligation is said to have been extended.

Extended bond. A bond extended after maturity for a fixed period at the same or perhaps at a different rate of interest.

Extension. When an obligation has been continued beyond the time originally set for the payment of it an extension is said to have been granted.

Extension bond. A bond issued under a mortgage covering an extension of a railroad; it may or may not represent a first lien.

External commerce or trade. Same as foreign commerce or trade; the exports and imports of a country, that is, its commerce or trade (purchases and sales) with other countries.

Extra dividend. A dividend in addition to the regular dividend.

Extraordinary meeting. English term for a meeting of the shareholders (stockholders) of a company to act on some unusual proposition, such as an increase of capital or reconstruction (reorganization).

Ex-warehouse. English term, meaning the same as *ex-store*; see *Ex-store*.

F

Face value. The face value of stocks and bonds is the value printed on the face of them—the amount they are issued for or call for; same as par value. For additional information see *Par*.

Factor. An agent employed to sell goods consigned to him.

The difference between a factor and a broker is that the factor is entrusted with the property which he is to dispose of while the broker, in a strict sense, is only employed to make a bargain for the sale of property. The term factor is most commonly used in the cotton trade.

The word factor is often used in the sense of influence, force or element, as a factor in the situation or in the money market or stock market.

Failure. Admission of inability to meet obligations; assignment in bankruptcy.

Falling averages. The weekly statement of the associated banks of New York gives the average deposits, loans, cash holdings, etc., of the banks for the week. When these items are declining in amount the bank statement is said to be made up on falling averages. The opposite of falling averages is rising averages. For additional information see *Bank statement*.

Falling exchange. If foreign exchange is quoted in the money of the country where issued a falling rate for it signifies that the exchange situation is in favor of the country where the exchange is issued and against the country where it is payable. In other words, the exchange is less costly—the money of the country where the exchange is payable costs less in the money of the country where the exchange is issued. For instance, exchange on London is quoted in New York in dollars (and cents) and when the rate is falling the pound sterling is worth less in dollars (and cents).

If foreign exchange is quoted in the money of the country where it is payable a falling rate for it signifies that the ex-

change situation is against the country where the exchange is issued and in favor of the country where it is payable. In other words, exchange is more costly—the money of the country where the exchange is issued brings less in the money of the country where the exchange is payable. For instance, exchange on Paris is quoted in New York in francs and when the rate is falling less in francs (and centimes) can be obtained for the dollar.

The opposite of falling exchange is rising exchange; see Rising exchange.

False certification. The term commonly used is overcertification; see Overcertification.

Fancy stock. A stock high in price; also one subject to extensive manipulation with wide changes in price.

F. A. S. Free alongside ship; see Free alongside ship.

Fat loan. A colloquialism, meaning a loan for which an unusual amount of collateral is provided.

Favorable and unfavorable (foreign) exchange conditions. If foreign exchange is quoted in the money of the country where issued a falling rate for it signifies that the exchange situation is favorable to (in favor of) the country where the exchange is issued and unfavorable to (against) the country where it is payable. In other words, the exchange is less costly—the money of the country where the exchange is payable costs less in the money of the country where the exchange is issued. For instance, exchange on London is quoted in New York in dollars (and cents) and when the rate is falling the pound sterling is worth less in dollars (and cents).

If foreign exchange is quoted in the money of the country where it is payable a falling rate for it signifies that the exchange situation is unfavorable to (against) the country where the exchange is issued and favorable to (in favor of) the country where it is payable. In other words, exchange is more costly—the money of the country where the exchange is issued brings less in the money of the country where the exchange is payable. For instance, exchange on Paris is quoted in New York in francs and when the rate is falling less in francs (and centimes) can be obtained for the dollar.

If foreign exchange is quoted in the money of the country

where issued a rising rate for it signifies that the exchange situation is unfavorable to (against) the country where the exchange is issued and favorable to (in favor of) the country where it is payable. In other words, exchange is more costly—the money of the country where the exchange is payable costs more in the money of the country where the exchange is issued. For instance, exchange on London is quoted in New York in dollars (and cents) and when the rate is rising the pound sterling costs more in dollars (and cents).

If foreign exchange is quoted in the money of the country where it is payable a rising rate for it signifies that the exchange situation is favorable to (in favor of) the country where the exchange is issued and unfavorable to (against) the country where it is payable. In other words, exchange is less costly—more in the money of the country where the exchange is payable is obtainable in the money of the country where the exchange is issued. For instance, exchange on Paris is quoted in New York in francs and when the rate is rising more in francs (and centimes) can be obtained for the dollar.

FD. As printed on the tape by the stock ticker these letters mean funding, as funding (or refunding) bonds.

Feeder. A name applied to a railroad (or other carrying line) from which another and usually more important railroad (or other carrying line) receives traffic (freight or passengers or both). Sometimes the name feeder is given to a branch line which was built or acquired to obtain additional traffic for the main line.

Fiat money. Fiat money is paper money issued by a government against which neither gold nor silver is held in the treasury. It is money by fiat (decree) of the government. United States notes (greenbacks) were fiat money, but they are now redeemed in gold by the Treasury.

Finance. The science of money and monetary affairs; the systematic control and regulation of revenue and expenditure; pecuniary management or methods.

The term finance comprehends legislation (that is, financial and allied legislation), banking, securities, negotiation, promotion, organization, reorganization, adjustment and readjust-

ment. Finance involves and implies science and skill in one or several or all of these things.

Finance bill. A bill of exchange (draft) drawn in connection with a financial operation, as an issue of stock or bonds; or a reorganization or readjustment; or an underwriting.

The term is often applied to a bill issued as a loan. For example, a person in New York borrows £50,000 in sterling in London. The lender in London sends to the borrower in New York a letter formally authorizing the borrower to draw on the lender for the amount named. The stipulation is (usually) made that collateral for the loan (usually stocks or bonds) shall be attached to (shall accompany) the draft. The stipulation may be that the collateral shall be deposited in trust in New York, in which case only a memorandum of the collateral is attached to the bill. By leaving the collateral in New York substitution or change in the collateral can be more readily made than if the collateral is sent to London. Substitution can, of course, only be made by consent of the lender in London. The loan might be obtained in Paris, in which case it would be in francs; or it might be obtained in Berlin, in which case it would be in reichsmarks (marks). The bill of exchange is sold by the borrower the same as any other bill of exchange to obtain the money represented by it.

Finance committee. The finance committee of a stock company is the committee of the board of directors which especially has the handling and direction of its monetary affairs.

Finance company. In Great Britain a finance company is one whose main business is investing and dealing in the stocks and bonds of other companies.

Financed. Placed in satisfactory financial or monetary circumstances.

An enterprise or a business has been financed when its financial requirements have been met. Specifically, a stock company has been financed when placed in a satisfactory financial condition, as when its stock or its stock and bonds have been sold or underwritten and it has been supplied with working capital.

In financial usage preference is given to the word *financed* over the word *financiered*.

Financial. Of or pertaining to finance or revenue; monetary.

Financial article. The article in a newspaper which describes operations and conditions in the financial markets, including the market for stocks and bonds; another name is money article.

It is the custom of newspapers to print the report of the transactions in stocks on the New York Stock Exchange in tabular form. First is given the number of shares of each stock sold and then in order the high, low and last prices and then the net change, which is represented by the difference between the last price of the day in question and the last price the day before (or if there was no transaction the day before, then the price at which the last preceding transaction, whenever it took place, was made). A net advance (or gain) is usually indicated by the plus mark, viz: + and a net decline (or loss) by the minus mark, viz: —. Usually only bid and asked quotations for "outside" stocks are printed.

It is the custom of the newspapers to print in detail the transactions in bonds on the New York Stock Exchange. They print the transactions in the order in which they are made. Usually in reporting a bond transaction first is given the amount of it in dollars (the dollar mark, \$, being omitted) at the par (face) value of the bond (not the number of bonds sold, because bonds are for varying amounts up to \$10,000 each); then follow the name of the bond and next and last the price by percentage (the same as in reporting sales of stocks).

Financial condition. The condition or state of the finances of a company.

Financial editor. The writer of the article in a newspaper which describes conditions and operations in the financial markets, including the market for stocks and bonds. The London title for financial editor is City editor; see City.

Financialist. Seldom used; same as financier; see Financier.

Financial statement. Same as balance sheet; see Balance sheet.

Financial year. In Great Britain the term financial year is

generally used instead of the term fiscal year. The financial year of the government of Great Britain begins April 1.

Financier. One skilled in or occupied with financial affairs or operations.

A financier is one who is adept in the use of money; in devising and carrying out plans or schemes involving the employment of money; in effecting the issuance and disposition of securities; in organizing corporations or enterprises; in readjusting or reorganizing the pecuniary affairs of concerns; and also in framing monetary or kindred legislation.

Financiered. Same as financed: see Financed.

Financiering. Same as financing; see Financing.

Financing. Financing an enterprise or a business consists in supplying its financial requirements. Specifically, financing a stock company consists in placing it in a satisfactory financial condition as selling its stock or its stock and bonds or procuring the underwriting of them and providing the company with working capital.

In financial usage preference is given to the word financing over the word financiering.

Fine bill. English term for a bank bill of the best quality.

Fine gold. Pure gold. The value of an ounce of fine gold in the United States is \$20.67.2; in Great Britain the value is £4, 4 shillings 11.45 pence.

Fineness. In reference to gold and silver fineness means the proportion of pure metal and it usually is expressed in thousandths. The coins of the United States, both gold and silver, are .900 fine, that is, nine-tenths pure metal and one-tenth alloy. The alloy in a gold coin is one part silver and nine parts copper; in a silver coin the alloy is copper. The gold coins of Great Britain are .916 2-3 fine, while the silver coins are .925 fine.

Fine paper. First class paper (promissory note or bill of exchange or draft).

Finer rate. A lower rate; said of the rate of discount.

Fine silver. Pure silver.

Firm. A partnership.

Also, firm as used in a transaction means fixed. A firm price

is a fixed price; a firm bid is a bid that will be adhered to (usually for a specified or understood period).

Subscribers to underwriting syndicates usually receive a commission; when the subscriptions are firm the subscribers receive no commission but pay the agreed price for the securities subscribed for.

First board. On exchanges where there are calls of stocks and bonds or calls of grain, cotton, etc., the first call is often designated as the first board.

Also, the first printed list of sales on the New York Stock Exchange, covering the period from 10 a. m. to 12 noon, is called the first board.

First class. A designation meaning without a superior; principally used in commercial affairs.

First class paper. A promissory note made or indorsed or a bill of exchange (draft) drawn or indorsed by a party in high financial standing.

First hands. The original hands. To buy at first hands is to buy from the manufacturer or producer (or from the agent of the manufacturer or producer) or from the importer instead of from an intermediary, as a middleman or jobber.

First mortgage. The mortgage which is a lien ahead of all other liens (except in some instances a prior lien, which usually represents only a small part of the value of the property).

First mortgage bond. A bond issued under a first mortgage.

First, second and third of exchange. It is the practise of bankers who are sellers of foreign exchange to draw their bills (bills of exchange or drafts) in sets, so-called—sometimes in duplicate and sometimes in triplicate.

The entire set is delivered by the seller to the buyer of exchange. The first of exchange (the original bill) is forwarded to the payee (the one to whom the amount of the bill is to be paid) by one steamer, while the second of exchange (a copy of the bill) is sent by another steamer for use in case the original bill is lost or materially delayed in transit. If a third of exchange (another copy) is made out it is sent to the payee by a still different steamer or it may be retained by the buyer of the exchange as a voucher. The payment of any one of the bills extinguishes the set, or in other words, cancels the others.

First teller. The paying teller in a bank.

Fiscal. Financial.

Fiscal Bank of the United States. This was the name given to a proposed bank modelled practically on the same lines as the two Banks of the United States. It seems to have been the idea of its projectors that the word Fiscal in the title would overcome some of the popular objections to the establishment of a third great national bank.

Congress passed a bill authorizing the Fiscal Bank of the United States and sent it to President Tyler on August 6, 1841. The President vetoed it on alleged constitutional grounds. A new bill meeting the views of the President as expressed in his veto was promptly prepared and passed, but the President vetoed that also. This ended all serious attempts to create a great national bank.

Fiscal year. The twelve months counted as a year in financial operations. The fiscal year of the United States government and of a majority of corporations ends on June 30.

Fishing excursion. Said in legal proceedings (particularly where financial matters are involved) when questions are asked for the purpose of obtaining information upon which to base additional or other proceedings.

Five ports. When this term is used with reference to export trade it means the four ports (the four important Atlantic ports—Boston, New York, Philadelphia and Baltimore) and New Orleans (which is a gulf port—a port on the Gulf of Mexico).

Fixed bill. A bill of exchange (draft) or promissory note without days of grace.

Fixed capital. Property that has reached its final form and that may be used many times in production, as machinery or lands.

Fixed charge. A charge that becomes due at stated intervals.

In the case of a railroad fixed charges include interest on funded debt, interest on floating debt, rentals, taxes and requirements of sinking funds. Failure to pay these charges constitutes a legal default.

Fixed debt. A permanent debt, or at least a debt continuing for an extended period, as a debt represented by bonds.

Fixed exchange. If foreign exchange is quoted in the money of the country where issued, but is payable in the money of the country where collection is to be made, it is called fixed exchange. For instance, exchange on London is quoted in dollars in New York and is, therefore, fixed exchange. The pound sterling is the basis and the amount in dollars (and cents) fluctuates instead of the pound sterling.

The opposite of fixed exchange is movable exchange; see Movable exchange.

Fixed indebtedness. A permanent indebtedness, or at least an indebtedness continuing for an extended period, as an indebtedness represented by bonds.

Fixed liabilities. Same as fixed indebtedness; see Fixed indebtedness.

Also, the term applies to liabilities that have been determined, as actual liabilities, in distinction from contingent liabilities.

Fixed liability. A liability or responsibility which has been determined and is not in question or dispute.

Fixture. London money market term for a loan for a fixed period, as opposed to day-to-day money, which is repayable at call (on demand).

Flat. Without interest.

When bonds are sold flat no additional charge is made to the buyer for the interest accrued on them; in other words, the interest is included in the sale.

When stocks lend flat the lender has not to pay interest to the borrower of the stock. Ordinarily the borrower of stock pays the lender the market value of the stock and the lender pays interest to the borrower on this money.

The rate of interest paid is usually a little less than the ruling rate for call money. When a stock is lending flat the fact signifies that this particular stock is in inadequate supply, or at least that it is not easy to obtain by borrowers.

When a stock is lending at a premium the borrower not only receives no interest on the money that he advances to the lender, but he also has to pay whatever amount may be agreed

upon for the use of the stock. In such a case the stock is very scarce or very difficult to obtain.

There is another meaning to flat; when little business is done in the stock market or in any other market the market is said to be flat.

On the London Stock Exchange the word flat is used, though rarely, to indicate that the quotation for a stock (bond) does not include accrued interest. Transactions of this kind are seldom carried out in London.

Flexible currency. Another name for elastic currency; see Elastic currency.

Floater. English name for a security of the better class payable to bearer; the name is applied because of the facility with which such a security may be used as cover (collateral) for loans.

Floating a stock or floating bonds. Same as placing a stock or placing bonds; marketing; selling. The term is generally applied to the disposal of an entire issue of stock or bonds, or at least a large part of an issue.

Floating capital. Capital not represented by a permanent investment; in other words, capital invested in things produced, whether raw material, articles in process of completion or articles completed, and in pay for labor and services, as wages and salaries.

Floating debt. Unfunded indebtedness; indebtedness not represented by securities. Specifically, floating debt consists of (1) money directly borrowed; (2) money owed for miscellaneous purposes; (3) money payable in a short time.

Floating debt is the English name for the British government's temporary liabilities in the form of Treasury bills, etc., as distinguished from the funded debt; see Funded debt.

Floating money. Money in the market not engaged and available for loans, etc.

Floating stock. Stock not held permanently; the proportion of the capital stock of a company available for speculative purposes.

Floor. A name given to the board room (trading room) of an exchange; on the floor means in the board room.

Floor rights. The rights of brokers on the floor (in the

board room) of an exchange as defined by the by-laws of the exchange. For additional information see **Floor rules**.

Floor rules. In dealings on the New York Stock Exchange bids and offers made and accepted in accordance with these rules are binding:

All offers to buy or sell securities shall be for 100 shares of stock or for \$10,000, par value, of bonds unless otherwise stated. Offers to buy or sell specific amounts other than as above stated may be made at the same time and may be independently accepted.

Bids and offers may be made only as follows:

Cash (for delivery on the day of contract); regular way (for delivery on the business day following the contract); at three days (for delivery on the third day following the contract); buyer's or seller's option for not less than 4 days nor more than 60 days.

Bids and offers under each of these specifications may be made simultaneously as being essentially different propositions and may be separately accepted without precedence of one over the other.

Bids and offers without stated conditions are considered to be in the regular way.

In offers to buy on seller's option or to sell on buyer's option the longest option has precedence. In offers to buy on buyer's option or to sell on seller's option the shortest option has precedence.

Floor trader. Same as room trader, which name is more commonly used; see **Room trader**.

Flotation. The flotation of a scheme is the financing (see **Financing**) of it; the flotation of an issue (or block—large amount) of stock or bonds is the marketing (selling) of it.

FLT. As printed on the tape by the stock ticker these letters mean flat (without interest); see **Flat**.

Fluctuation. An upward and downward movement in price.

The smallest fluctuation (quotable change in price) permitted on the New York Stock Exchange is 1-8 of 1 per cent, which is equal to \$12.50 on 100 shares of stock of the par (face) value of \$100 each or on \$10,000 of bonds.

The smallest fluctuations in commodities are: Grain 1-8 of

1 cent a bushel, equal to \$6.25 on 5,000 bushels (sometimes there is a "split" quotation of 1-16 of 1 cent); lard, 1 cent per 100 pounds, equal to \$8.50 on 250 tierces (85,000 pounds); pork, 2 1-2 cents per barrel, equal to \$6.25 on 250 barrels; short ribs, 2 1-2 cents per 1,000 pounds, equal to \$12.50 on 50,000 pounds; cotton, 1 point (one-hundredth of a cent) per pound, equal to \$5 on 100 bales (50,000 pounds); coffee, 5 points per pound, equal to \$16.25 on 250 bags (32,500 pounds); silver bullion, 1-8 of 1 cent per ounce, equal to \$1.25 on 1,000 ounces.

Flurry. A speculative term, meaning a sudden commotion in prices of securities or commodities or in the rates for money.

Flyer. A term applied to a chance venture (speculation) in stocks or commodities.

F. O. B. The letters which stand for free on board; see Free on board.

Folio. In bookkeeping a folio is two pages facing each other, both of which bear the same number.

For account of whom it may concern. Said of a sale the proceeds of which are to go to the one on whose behalf or for whose benefit it is made. The term is commonly used in auction-sales when the name of the seller is withheld.

Forbearance. Term employed when a creditor waits beyond the date of its maturity for the payment of a debt.

For cash. When stocks or commodities are sold cash (for cash) the contract must be fulfilled on the day on which it is made. Unless otherwise agreed stocks must be delivered and received before or at 2:15 o'clock; on Saturdays before or at 11:30 o'clock.

On the London Stock Exchange the usual term is "for money." It means that delivery and receipt of the securities and payment for them is to be made at once instead of waiting for account day. Also see For the account.

There is another meaning to "for cash" as the term is used in Wall Street. When a broker's customer buys or sells for cash he pays in full for the stocks bought or receives pay in full for the stocks sold. Stocks cannot, of course, be sold short for cash.

Forced currency. Depreciated paper or silver currency

(money) made legal tender by law—the currency is forced into circulation. Where forced currency circulates gold money is at a premium.

Forced loan. A forced loan originates more frequently in an overdraft than in any other way. Illustration: A depositor in a bank draws a check for a sum larger than the balance or amount standing to his credit in the bank. The bank pays the check in the expectation that the depositor will on notification that he has overdrawn his account make good the discrepancy or, as it is commonly called, overdraft. He is not able to do so and the bank is forced to make a loan to him of the amount of the shortage in order to cover the overdraft—that is, in order to bring his credit up to a sum that equals the amount of the check.

When a call loan is called (payment demanded) and not paid or when a time loan (a loan for a specified period) has matured and demand for its payment is not complied with and the loan is continued for a further period by the lender it is called a forced loan. In such a case the loan is continued because of the temporary inability of the borrower to repay it or because the state of the market is unfavorable for the sale of the collateral which secures the payment of the loan.

The Bank of Venice, the forerunner of the modern bank, had its origin in 1171 in a forced loan which had been adopted as a means of relieving the financial necessities of the Republic of Venice. The wealthy citizens were required to contribute to a loan. Instead of the delivery of bonds to the citizens as certificates of the indebtedness of the republic to them the amounts in specie which were received from them were placed to their credit in a book or ledger. The republic paid punctually 4 per cent interest to the citizens who had been levied upon, but did not repay the principal (the original amounts exacted from the citizens). In transactions among themselves the citizens fell into the practise of transferring to each other portions of the indebtedness of the republic to them, or in other words, portions of their credits with the republic. This method of transacting business was found so convenient and superior to handling the coined money that the republic established the Bank of Venice in order that the citizens generally

might deposit their specie and obtain therefor bank credits.

Forced quotations. Quotations created by fictitious dealings; wash transactions. For additional information see Washing.

Foreclosure. Seizure of mortgaged property on default in payment of interest.

Foreign bill. In Great Britain this term means a bill of exchange on a foreign country. In the United States the single word exchange is generally construed as meaning a foreign bill, although the term foreign exchange is a more definite term.

Foreign commerce or trade. Export and import trade; the commercial interchange of commodities by one country with other countries.

Foreign credit balance. The balance in favor of a country, as, for instance, the United States, and against the rest of the world.

Foreign debit balance. The balance against a country, as, for instance, the United States, and in favor of the rest of the world.

Foreigner. London Stock Exchange term; a security issued by a foreign government.

Foreign exchange. The payment of an obligation in a place in one country by the transfer of a credit from a place in another country by means of a bill of exchange (a draft or order for money), as a bill drawn in New York and payable in London.

Illustration: A in London owes \$100,000 (or the equivalent in pounds sterling) to B in New York; likewise, C in New York owes \$100,000, or the equivalent of that sum, to D in London. A in London buys a bill of exchange on New York (collectable in New York) for the amount of his obligation and forwards it to B in New York; likewise, C in New York buys a bill of exchange on London (collectable in London) for the amount of his obligation and forwards it to D in London. Thus, both A and C have paid what they owed, while B and D have received what was due them, and no money has crossed the ocean in settling the accounts.

A merchant in New York usually pays for goods bought in

London or Paris with a bill of exchange or draft purchased from a bank or banker in New York which is payable by the correspondent (bank or banker) in London or Paris, as the case may be, of the New York bank or banker. The bill of exchange saves much trouble and expense to the remitter (the merchant). It is payable in English or French money, as the case may be, and is purchased at the equivalent in United States money. The foregoing is an instance where exchange is bought.

Following is an instance where exchange is sold: A in New York makes a shipment of goods to B in London for which immediate payment is to be made. A makes out a draft on B for the amount (that is, the amount in money) due him and attaching to the draft the bill of lading for the goods sells the draft to a dealer in foreign exchange in New York, who forwards it to his correspondent in London for collection from B. Thus, A receives pay for his goods as soon as they are shipped—he has not to ship the goods, wait for them to reach London, and then wait for a ship to bring back gold in payment for them, nor even to wait for the mail to bring back a draft bought by B in London on some bank or banker in New York; much less has he to wait for B to receive the goods, draw a check on his own (B's) bank in London, and send it to him (A in New York), who would have to sell the check to some dealer in foreign exchange in New York. B, on the other hand, by receiving the bill of lading for the goods when the draft is presented to him for payment knows not only that the goods have been shipped to him by A, but by possession of the bill of lading holds actual title to them.

A draft (such as A draws on B in the foregoing example) accompanied by a bill of lading and other papers (policy of insurance, etc.) is termed a documentary bill for payment. In case payment is not to be made immediately (as by the payment of a draft at sight—a draft payable on demand or presentation), but at some future time, although delivery of the goods is to be made on their arrival in London, the party drawn upon (who is to pay the bill at maturity) accepts the draft (writes on its face his acceptance—his acknowledgment of the obligation and a promise to pay it when due) and the bill

of lading is surrendered to him, the possession of the bill of lading enabling him to obtain possession of the goods. A draft to be accepted for payment at a future time accompanied by a bill of lading and other papers is termed a documentary bill for acceptance.

Bills payable on demand or sight (that is, on presentation) are called sight bills; bills payable in 10 to 30 days are called short bills; bills payable in 60 days or in a longer period are called long bills. There are also cable transfers by which money (or credit) is transferred by cable. These, for brevity, are called cables.

Bills drawn by banks or bankers against their credits abroad are called bankers' bills. These include letters of credit. Bills drawn against shipments of commodities or manufactures are called commercial bills. Specifically, grain bills are drawn against grain shipped and cotton bills are drawn against cotton shipped.

Dealers in foreign exchange do not ordinarily resell the commercial and other bills which they buy. These they forward for collection or in cover (in payment) of their own bills. The bills they sell are their own bills which are drawn against credits they themselves have negotiated abroad or against credits that they have created by forwarding the commercial and other bills they have purchased.

A banker's bill of foreign exchange is drawn (and delivered to the buyer) in sets, so-called—in duplicate or triplicate and numbered first and second, or first, second and third of exchange, respectively, requesting payment of money as mentioned in each. The one first presented is paid and the payment of this one extinguishes (cancels) the others. Where a bill is issued in duplicate the two copies are forwarded for collection, each by a different steamer (to provide against the loss or delay of one). If a third copy is furnished it is retained by the purchaser of the bill as a voucher or it may be forwarded by a third steamer. A bill of exchange is transferable by indorsement the same as a check.

Following is the usual form of a 60-day bill of exchange drawn in triplicate:

Exchange for £1,000.

New York, January 1, 1904.

At sixty days after date of this our First of Exchange (second and third of the same tenor and date unpaid) pay to the order of James Robinson One thousand Pounds sterling, and charge the same, without further advice, to

No. 5,005.

Brown, Green & Co.

To White, Black & Co.,
London.

When America is largely indebted to Europe drafts (bills of exchange) drawn in America on Europe, that is, payable in Europe, are likely to command a premium, or in other words, are likely to be worth more than their face value (or the equivalent of their face value). On the other hand, when Europe is largely indebted to America drafts drawn in America on Europe are likely to be at a discount, or in other words, are likely to be quoted at less than their face value (or the equivalent of their face value).

Bills on Great Britain are payable in pounds sterling, on France in francs, on Germany in marks, on Holland in guilders, etc. Bills payable in pounds sterling are called sterling bills.

Conditions of exchange are greatly involved when between a country having a gold standard, where the value of money is fixed, and a country having a silver standard or using a depreciated paper currency, where the value of money is fluctuating. They are even more involved when between two countries both of which have currencies of fluctuating value.

If A in New York desires to pay B in London £100,000 the exact amount in United States money which will equal this sum is \$486,656. The remittance of this amount in United States gold coin would not ordinarily cancel the obligation for the reason that the coin accumulated for the purpose would be short in weight owing to abrasion or wear in use. It would, therefore, be necessary to add coin to make up the deficiency in weight. If, however, the United States Treasury is selling assay office bars at par (it generally charges a commission of 1-8 of 1 per cent) \$486,656 may be deposited in the Treasury and bullion obtained worth an equal amount in London, that is, worth £100,000 in London.

Should A be able to obtain British sovereigns 100,000 of them, if only normally abraded or worn (that is, not abraded

or worn to such an extent as to prevent their acceptance in London at their face value), will discharge the obligation. In this case the deficiency in weight has not to be made up; indeed, if the sovereigns can be bought by weight there will be a profit in their purchase.

The following table shows the equivalent values of the moneys of countries in which and with which exchange dealings are large:

	Dollars.	Shillings.	Francs.	Reichsmarks	Guilders.
Dollar (United States) .....	.....	4.11	5.18	4.20	2.49
£1, or 20 shillings (Great Britain) ..	4.86.6	.....	25.22	20.43	12.10
Franc (France) .....	.19.3	.79	.....	.81	.48
Reichsmark (Germany) .....	.23.8	.98	1.24	.....	.59
Guilder (Netherlands—Holland) ..	.40.2	1.65	2.08	1.69	....

The official name of the reichsmark is mark; reichsmark means imperial mark or the mark according to the government standard; the addition of reichs is superfluous, but it is, nevertheless, retained in exchange dealings and in other international financial transactions.

The official name of the guilder is florin; guilder is the old name, but it is, nevertheless, retained in exchange dealings and in other international transactions.

For the equivalents of all foreign moneys in United States money and also in the money of Great Britain see Moneys of the world.

When a bill of exchange is quoted in the money of the country where it is issued, but is payable (is to be paid) in the money of the country upon which it is drawn (where it is payable), the higher the quotation (or rate) the higher is the cost of such exchange for the reason that a high rate requires more of the money of the country where the bill is purchased to buy a given amount of the money of the country where the bill is payable than a low rate requires.

On the other hand, when a bill of exchange is quoted in the money of the country upon which it is drawn (which is also the money in which it is to be paid), as francs, the higher the

quotation the less is the cost of such exchange for the reason that more in the foreign country's money can be purchased for \$1 at a high rate than can be purchased at a low rate.

Illustration: If exchange for £1 is purchased for \$4.89 it costs more than if purchased at \$4.84. On the other hand, if exchange for 5.25 francs (5 francs 25 centimes) is purchased for \$1 it costs less than if exchange for 5.11 francs is purchased for \$1; or, putting it another way, \$1 buys more in francs at the high rate than it buys at the low rate.

Instead of saying exchange on London or exchange on Paris it is the common practise to abbreviate the expression to London exchange or Paris exchange.

Exchange is in favor of one country and against another when the balance of trade (or balance of international account) between the two countries is in favor of the first and against the second. In other words, exchange is in favor of a creditor country and against a debtor country.

High cost for exchange implies that the balance is against the country where the high cost prevails; conversely, low cost for exchange implies that the balance is in favor of the country where the low cost prevails.

It is the custom to speak of exchange on Great Britain as sterling (not as sterling exchange), on France as francs, on Germany as reichsmarks, on the Netherlands (Holland) as guilders, and so on.

Foreign bills of exchange are not said to have been discounted, but to have been sold.

Foreign exchange loan. When a loan of foreign exchange is made exchange is loaned; the money represented by the exchange is not loaned, but a bill of exchange is loaned. If the borrower has an obligation that is payable at home he may use the bill in meeting it or he may sell the bill and use instead the money received for it. If the obligation is payable abroad he presumably will forward the bill in payment of it. Collateral (security) may be and generally is deposited with the lender.

Sometimes—in fact, frequently—the lender of the exchange sells the bill and delivers the money to the borrower. When the loan matures (becomes due) the borrower pays it by de-

livering to the lender a sight or demand bill for the amount of it, which bill he has purchased for the purpose; or, he may pay the lender in cash at the existing rate for sight or demand exchange.

It may be that the exchange is borrowed abroad, in which case the borrower is authorized to draw on the lender for the amount borrowed. The borrower makes out a draft, which is accompanied with the letter granting authority to draw, and if collateral is to be provided the draft also is accompanied with stocks, bonds, bill of lading, warehouse receipts or whatever form of security is stipulated.

If the borrower has an obligation that is payable at home he may use the bill (draft) itself in meeting it or he may sell the bill and use instead the money received for it. If the obligation is payable abroad he presumably will forward the bill in discharging it.

A loan in pounds sterling is called a sterling loan or a loan of sterling; one in francs is called a loan of francs; one in reichsmarks is called a loan of reichsmarks, and so on.

Foreign exchange rates. The quotation "actual rate" means the rate at which exchange is sold in large amount by a dealer; the quotation "posted rate" means the preliminary asking rate of the day before an actual rate is made and this is the rate usually exacted for a small amount of exchange by a dealer. The actual and posted rates are the rates at which dealers sell bills of exchange issued by themselves. They do not as a rule announce the rates at which they will buy commercial bills of exchange; that is a matter of negotiation and depends on the nature of the bills. The newspapers, however, publish approximate prices for commercial bills.

Foreign exchange is payable in the money of the country upon which the exchange is drawn—that is, where the exchange is payable.

The exact equivalents (making no allowance for interest or any other charge) calculated in the way that exchange is quoted in the United States are for different moneys as follows: \$4.86.65 equals £1 (Great Britain); \$1 equals 5.18 francs (France, Switzerland, Belgium); 4 marks (Germany) equals 95.2 cents; 1 guilder or florin (Holland—the Netherlands)

equals 40.2 cents; 1 krone or crown (Sweden, Norway, Denmark) equals 26.8 cents; 1 krone or crown (Austria) equals 20.3 cents; \$1 equals 5.18 lire (Italy).

The equivalent of \$1 in English money is 49.3 pence or 4 shillings 1.3 pence.

When foreign exchange is quoted in the money of the country where it is bought the unit of money of the country where payable is figured at so much in the money of the country where the bill is issued. Thus, when sterling exchange is quoted at \$4.86.65 £1 in exchange is worth \$4.86.65.

When foreign exchange is quoted in the money of the country where it is payable (not where it is bought) the unit of money of the country where it is bought is figured at so much in the money of the country where the bill is payable. Thus, when exchange on France is quoted at 5.18 (5 francs 18 centimes) \$1 in exchange is worth 5.18 francs.

When a bill of exchange is quoted in the money of the country in which it is issued, but is payable (is to be paid) in the money of the country upon which it is drawn (where it is payable), the higher the quotation (or rate) the higher is the cost of such exchange for the reason that a high rate requires more of the money of the country where the bill is purchased to buy a given amount of the money of the country where the bill is payable than a low rate requires.

On the other hand, when a bill of exchange is quoted in the money of the country upon which it is drawn (which is also the money in which it is to be paid), as francs, the higher the quotation the less is the cost of such exchange for the reason that more in the foreign country's money can be purchased for \$1 at a high rate than can be purchased at a low rate.

Illustration: If exchange for £1 is purchased for \$4.89 it costs more than if purchased at \$4.84. On the other hand, if exchange for 5.25 francs (5 francs 25 centimes) is purchased for \$1 it costs less than if \$1 is paid for 5.11 francs; or, putting it another way, \$1 buys more in francs at the high rate than it buys at the low rate.

The amount paid for a time bill depends on the length of time it has to run and the rate of interest prevailing in the country where the bill is payable. A commercial bill payable

in London three months after date is bought by a dealer in exchange in New York at a price which is equal to a bill payable on demand, less three months' interest at the existing rate of interest in London. The London rate of interest serves as the basis in calculating the price of the bill for the reason that the bill is payable in London and to make it equal to a draft payable on demand in London it must be discounted in London.

High cost for exchange ordinarily means that the international balance is against the country where the high cost prevails; conversely, low cost for exchange ordinarily means that the international balance is in favor of the country where the low cost prevails.

Foreign loan. A loan issued by a foreign government in the form of bonds or other certificates of debt, such as exchequer bills or notes, treasury bills or notes, etc.

The term foreign loan also is applied to a loan obtained in a foreign country by a corporation, firm or individual. In the case of such a loan the usual practise, if security is to be provided, is for the borrower to draw against the loan and to accompany the draft with collateral which may be securities (stocks or bonds) or documents (bills of lading, warehouse receipts, etc).

Also see Foreign exchange loan.

Foreign money. The money of another country. For information as to all moneys see Moneys of the world.

Foreign port stocks. This term applies to stocks of grain in warehouses at the leading ports of Europe.

Foreign rails. London Stock Exchange designation for the securities of railway companies in foreign countries (except Americans, which are dealt in in a market of their own).

Foreign trade. Same as external trade or commerce; the exports and imports of a country; that is, its trade (purchases and sales) with another country.

Forfeiture. Loss of property by some act or omission.

For honor. See Acceptance for honor; also see Payment for honor.

For money. The London Stock Exchange term which is equivalent to for cash; see For cash.

For shipment. Anything bought for shipment is bought with the provision that it shall be shipped at or within a specified time.

For the account. When securities are bought or sold for the account the transaction is a marginal one (on margin) for the account and risk of the buyer or the seller, as the case may be.

In a marginal transaction the presumption is that in case of a purchase the securities are to be sold at a subsequent time, while in the case of a sale the presumption is that the securities are to be bought back later.

On the London Stock Exchange "for the account" means that the securities are to be delivered and received and paid for in the next fortnightly settlement. For additional information see *Account, The*.

For the coming out. London Stock Exchange term for a bargain (contract) in shares or stock which have been authorized but not yet issued. The certificates are to be delivered when issued and payment is then to be made for them. In the New York stock market such a contract is designated as "when issued," meaning that the certificates are to be delivered when issued, and are then to be paid for.

For the long account. When stocks are bought on margin they are bought for the long account. The expression is little used except in referring to the aggregate as distinguished from individual buying. Buying to close short contracts is not, of course, buying for the long account.

For the new account. London Stock Exchange term for bargains (transactions) which are to be included in the account following a fortnightly settlement. The new account begins on the first day of the fortnightly settlement.

For the opening. When a stock is sold for the opening delivery of it to the purchaser is to be made on the opening of the transfer books of the company which issued it. The delay in delivery until that time is because the stock has been assigned to a specified individual by the original owner instead of having been assigned (or signed) in blank (see *Assigned in blank*) and, therefore, not being a delivery (not being in de-

liverable form) it is necessary to wait until a new certificate can be obtained before making delivery to the buyer.

Also see *At the opening*.

For the short account. When stocks are sold short on margin they are sold for the short account. The expression is little used except in referring to the aggregate as distinguished from individual short selling.

Fortnightly settlement. See *Settlement, The*.

Forward delivery. Delivery at a future time; same as *future delivery*.

Forwarder. A person, firm or corporation whose business is to receive goods for transportation. A commission is charged for storing the goods and delivering them to the line by which they are to be transported.

Forwarding merchant. A forwarder; see *Forwarder*.

Forwarding securities. For directions for forwarding securities see *Investment securities*.

Forward quotation. The price for delivery at a future specified date.

For whom it may concern. Same as for account of whom it may concern; said of a sale the proceeds of which are to go to the one on whose behalf or for whose benefit it is made. The term is commonly used in auction sales when the name of the seller is withheld.

For your account. When a broker on the New York Stock Exchange executes an order for another broker who is to receive or deliver the stock, as the case may be, he "gives up" to the broker with whom he makes the transaction the name of his principal (the broker for whom he is acting). If the broker to whom he has sold or from whom he has bought does not wish to accept the name given up to him he says "for your account" and the broker who was acting for a person other than himself is himself obliged to assume the contract. A rule of the exchange is that no broker shall be compelled to accept a principal other than the broker offering to contract, unless the broker so offering shall in making the offer declare the name of the person whom he proposes to substitute for himself.

Founders' shares. Shares which are sometimes given to

the founders and promoters of a company; such shares generally divide the surplus profits with the common shares after a certain percentage has been paid on the latter. These shares are seldom created now and are viewed with disfavor by financial critics.

Four ports. When this term is used with reference to export trade it means the four principal ports on the Atlantic coast—Boston, New York, Philadelphia and Baltimore.

Fourteen hundred. An expression shouted when a stranger wanders into the London Stock Exchange. Years ago, it is said, the membership of the exchange remained for nearly two years at 1399 and it came to be a matter of interest as to who should be the fourteen hundredth. One day an unmistakable stranger strolled into the exchange and a waggish member introduced him as No. 1400.

The corresponding expression on the New York Stock Exchange is New Tennessee, which see.

Fourth week. The fourth week in a month differs from the other three weeks in the month in compiling and reporting railroad earnings. The first seven days are counted as the first week, the second seven days as the second week and the third seven days as the third week, while the remaining days of the month are counted as the fourth week. In a month of 30 days the fourth week consists of nine days and in a month of 31 days it consists of ten days. Thus, the fourth week may contain two Sundays.

For additional information see Railroad earnings.

Fowler banking and currency bill. The name given to a bill providing for an asset currency which was prepared by the House Committee on Banking and Currency of the Fifty-seventh Congress and introduced by Charles N. Fowler, of New Jersey, chairman of the committee. For the provisions of the bill see Asset currency.

Fractional coin. Same as divisional or subsidiary coin; see Subsidiary coin.

Fractional currency. Subsidiary silver coins (half-dollar, quarter-dollar and dime or 10 cent piece), and minor coins (5-cent nickel and 1-cent bronze).

Fractional lot. Same as odd lot; in stocks less than 100 shares of stock and less than \$10,000 bonds.

Franchise. A privilege conferred by grant from a government (national, state or municipal) to a corporation or an individual. The right obtained from the proper authority to build a railroad from one point to another constitutes a franchise.

Franking. When the franking privilege in the mails is accorded the person possessing it is permitted to send mail matter free by writing or stamping his name on the envelope or package. Members of Congress are allowed to frank (send free) public documents.

The franking privilege is sometimes accorded to persons for special reasons by telegraph companies, express companies, etc.

Fraud. Expulsion is the penalty for any member of an exchange convicted by its governing body of fraud in his dealings with another member or with a non-member. There is no lesser penalty.

Fraudulent conveyance. A conveyance without adequate consideration, made for the purpose of delaying, hindering or defrauding creditors.

Free alongside ship. A mercantile term; means that goods are delivered alongside (by the side of) the ship, with all charges paid up to that time. The buyer's responsibility then begins and includes the placing of the goods on board the ship.

Free banking system. Previous to the panic of 1835 there were no general laws in any of the states providing for the incorporation of banking associations. Each bank operated under a special charter passed for its own benefit. This system of incorporation had aroused much opposition on the grounds of monopoly, favoritism and corruption and log-rolling in the various legislatures. After the panic of 1835 there was an agitation in favor of general banking laws under which any body of men associated together for the purpose could by complying with the law engage in the banking business.

An essential feature of banking at that time was the privilege of issuing notes and the chief concern of the advocates of a

general or free banking system was to provide some method for making such notes secure and acceptable to the public. The device generally decided upon was to require the banks to deposit in the custody of the authorities of the state from which they received their charter approved securities equal in value to the notes issued.

The first law of this character was enacted in Michigan in 1837. New York followed in 1838. The New York law, which was very similar in principle to the Michigan law, provided that any person or association of persons might receive from the Comptroller of the state circulating notes and after signing them might issue them as money by first depositing with the Comptroller stocks (bonds) of the United States, of the state of New York or any other state approved by the Comptroller, or bonds and mortgages on improved, productive and unencumbered real estate worth double the amount of the mortgage, exclusive of the buildings thereon, and bearing interest at not less than 6 per cent. The result was a great emission of notes, a great depreciation in the value of the notes, and the failure of many banks issuing them when they were required by subsequent enactment to make provision for the prompt redemption of their notes.

The disastrous effects of both the Michigan and New York laws were attributed, however, more to faulty construction and poor administration than to any wrong principle. As the acts were gradually modified and strengthened their actual operation became more satisfactory and the New York law was practically the model for the national banking system.

Meanwhile, many other states followed the example of Michigan and New York, but their laws were so loosely drawn and the administration of them was so bad that the grossest frauds were perpetrated and state bank notes became a synonym for worthlessness. Some of the devices resorted to and the disastrous results that followed are described under the head *Wildcat money*.

The growing importance in banking of the deposit and discount branches of the business and the Federal tax of 10 per cent on the notes of state banks have since the Civil War

eliminated the entire question of note issuing from the calculations of state banks operating under the free banking system.

Free bonds. United States bonds owned by national banks which are not pledged as security for circulation or government deposits are designated as free bonds.

Free coinage. The coinage into money without charge of metal deposited in a mint or other government depository by individuals. In the United States gold is the only metal to which the privilege of free coinage is extended.

When bullion is bought and coined by a government, as in the case of silver, the profit or seigniorage belongs to it; this is termed coining on government account.

Free gold. Same as net gold; the amount of gold held in the Treasury of the United States in excess of the sum required to redeem gold certificates outstanding. Free gold includes the \$150,000,000 gold reserve.

Free list. The free list on the New York Stock Exchange has been abolished.

Formerly business was begun with the calling of a regular list of stocks and bonds and bids and offers were made as the names of the securities were called out. This list comprised the stocks and bonds actively dealt in. After this regular call if there was a request for the recalling of a stock or bond the request involved the payment of a fee of 12 1-2 cents.

Then there was a free list composed of inactive stocks and bonds. The names of these securities were called on request and no fee was exacted for calling.

Free market. A free market in stocks is one in which securities are freely dealt in; it is the same in commodities.

Free of average or free of particular average. An insurance of goods shipped whereby the owner is to be "free of loss" or saved from loss in case of damage.

Free on board. Grain or goods delivered free on board car or vessel; that is, with all charges paid or included up to that time.

Free overside. A mercantile term; goods sold free overside are sold free out of the vessel (free of charges up to the time of discharge from the vessel). The seller's responsibility ceases

as soon as the goods have left the vessel. Ex-ship or ex-steamer has the same meaning.

Free port. A port free for trading vessels of all nations or a port where no duties are levied on articles of commerce.

Freight. Goods or materials transported by a carrying company. The term is also sometimes applied to the charges imposed for transporting the goods or materials.

Freight density. A term used in railroad accounting, meaning the result obtained when the number of tons carried one mile is divided by the number of miles of road operated.

Freight miles or freight mileage. A term used in railroad accounting, meaning the number of tons of freight carried one mile.

Freight traffic. Freight (merchandise, etc.) transported by a railroad or other carrying line.

Frozen out. Excluded or shut out. For instance, if the majority interest in a corporation so adjusts matters as to control to the exclusion of the minority interest the minority interest is said to have been frozen out.

Likewise, if a member of a board of directors is objectionable to the other members and their combined opposition to him in the affairs of the concern impels him to retire from the board he is said to have been frozen out.

Full-paid stock. That which subscribers (persons who subscribe for the stock) have paid for in full.

Full stock. Stock of the face value of \$100; half-stock is of the face value of \$50 and quarter-stock is of the face value of \$25.

Fund. A sum of money accumulated or set aside, usually for a special purpose, as a sinking fund or redemption fund.

Also see Funds.

Funded. Converted into a permanent loan, as into bonds or some other security, and payable at a future time, with interest.

Funded debt. General outstanding debts which have been converted into bonds or annuities.

Funded debt is a term for the liabilities of the British government such as have been issued in the form of permanent or long-dated securities, as distinguished from the floating debt,

which is in the form of Exchequer bonds and Treasury bills and is regarded as temporary. The distinction is not clearly drawn. Experts differed, for example, as to whether the national war loan issued in 1900 and repayable in 1910 should be regarded as part of the funded or the floating debt.

Fund holder. An investor in public funds; that is, a holder of government securities.

Funding. The act or process of changing a floating or unsecured debt into a permanent loan.

Funding system. A system of public finance that converts floating indebtedness into a funded or fixed debt.

Fund-monger. A dealer in public funds, that is, in government securities. The term is not a common one.

Funds. This term includes not only cash but checks, drafts and other written or printed instruments which can quickly be converted into cash.

Abroad the term refers to the securities (as bonds) representing government debts.

Future. A contract the fulfilment of which is not required until a specified time in the future. Most of the dealings in grain, especially wheat, corn and oats, and in cotton and coffee, are in futures. A future is designated by the name of the month in which it matures. For instance, July grain, cotton or coffee sold in January (or in any month before July) is deliverable in July.

Future delivery. Delivery at a future time.

Future quotation. The price for delivery at a specified future date.

G

Gage. To pledge personal property as security for a debt.

Gage plan. This term originated in a proposition for an asset currency contained in the annual report of the Secretary of the Treasury (Lyman J. Gage) transmitted to Congress December 4, 1901.

An amendment to the law was proposed whereby a national bank on the deposit with the Treasurer of the United States of 30 per cent of its capital in the form of government bonds at their par value and 20 per cent of its capital in United States legal tender notes might issue its circulating notes to an amount equal to its paid-in and unimpaired capital. The remainder of the security for the notes was to rest on the assets of the bank. In addition the bank was to pay semi-annually to the Treasurer of the United States, in trust, an amount equal to 1-8 of 1 per cent of its capital stock, such payment to form part of a general guarantee fund for the protection (prompt redemption) of the notes of any bank which by reason of insolvency should become unable to pay its notes on demand.

Garbling. The practise of money dealers of retaining new coins of full weight for export or melting and returning the light-weight ones to circulation.

Garnishee. A person who holds money or property belonging to another which has been attached for debt.

Garnishment. Attachment for debt of money or property while in the hands of a third party. In Massachusetts this proceeding is called trustee process.

GB. As printed on the tape by the stock ticker these letters mean gold bonds (bonds, the principal of and interest on which are payable in gold).

General account. In a bank a general account is an account which is for general or miscellaneous purposes to which credits are added and against which checks are drawn in the ordinary course; a special account is one created for a special purpose.

General agent. A person appointed to act for another in all his affairs or in all affairs of a particular class.

General balance. The balance of a collective account or of all accounts.

General court. The half-yearly meeting of the proprietors (stockholders) of the Bank of England is called the general court.

General damages. Such damages as result from a wrong by implication of law.

General deposit. A general deposit with a bank is a deposit received and placed with the funds of the bank to be loaned to customers and used in the general business with other funds of the bank. A special deposit is a deposit for safe keeping; to be kept as received until called for.

General indorsement. An indorsement in blank—that is, by signing the name of the indorser simply, without transferring the paper to some particular party.

General mortgage. A mortgage covering all the stationary property of a company; same as blanket mortgage.

General mortgage bond. A bond issued under a general mortgage.

General partner. An active partner; one who participates in profits and is liable for debts.

General power of attorney. Written authority to act for another in matters generally.

General stock. Common or ordinary stock; see Common stock.

George Smith's money. The name applied to a circulating medium (in this case a substitute for money) devised by George Smith, who came to the United States from Scotland in 1834 and who died in London in 1899 in his ninety-second year, leaving a fortune estimated at £10,000,000 (about \$50,000,000).

In 1839 Smith procured the incorporation of the Wisconsin Marine and Fire Insurance Company and made himself its president. The company did not and it was not Smith's intention that it should do much of an insurance business. It proceeded to issue what were termed certificates of deposit in denominations of \$1 and upward in similitude of bank bills.

These certificates said on their face that the amount of them had been deposited with the company and that they were payable to the bearer on demand.

The whole Northwest had been denuded of currency by the financial disturbance of 1837 and there was ready employment for George Smith's money, which, by reason of the fact that it was promptly redeemed on presentation, passed everywhere without discount, or in other words, at its full face value. It was wildcat or red dog money, but it was good.

Ghost. A colloquialism used to describe a broken down speculator who still haunts Wall Street.

Gilt-edge securities. Those of superior merit.

Give on. London Stock Exchange term; a broker or dealer who has bought a stock and does not wish to take it up says he will give on it when he is willing to pay a contango (carrying-over charge) for the privilege of continuing his bargain (contract) to the succeeding fortnightly settlement; a broker or dealer who has sold a stock and does not wish to deliver it says he will take it in when he is willing to borrow the stock and either receive a contango or, if the stock is much oversold, pay a backwardation for the privilege of postponing delivery to the succeeding fortnightly settlement.

Giver on. London Stock Exchange term for an operator who has bought stock which he does not wish to pay for and take up and so gives a contango rate to a money lender who will take the stock up for him; or the term applies to a bear who is short of the stock and wants to borrow the stock for delivery. The effect of this operation is that the buyer continues his bargain (contract) to the next fortnightly settlement. When the stock is much oversold the buyer who lends the stock receives a premium from the seller for postponement of delivery. This premium is called backwardation.

Giving up. The broker in stocks who executes an order for another broker and whose connection with the transaction ends there "gives up" to the broker to whom he sells or from whom he buys the name of the broker (or brokerage firm) for whom he is acting, which broker (or firm) completes the transaction.

GM. As printed on the tape by the stock ticker these letters mean general mortgage.

G. M. B. These letters stand for good merchantable brand; this trade term is more commonly used in Great Britain than in the United States.

GNT. As printed on the tape by the stock ticker these letters mean land grant, as land grant bonds.

G. O. B. These letters stand for good ordinary brand.

Gold. Gold was probably the first metal known and the original sources were in Asia and Africa. Gold was worth 13 1-3 times as much as silver in ancient Egypt; 10 times as much as silver in Greece and Rome before the Christian era, and 7 1-2 times as much when Caesar returned to Rome.

The value of an ounce of fine (pure) gold is \$20.67.2; the value of an ounce of gold of the standard of fineness of the United States government (nine-tenths fine and one-tenth alloy) is \$18.60.5.

Gold bank. See National gold bank.

Gold bar. Means in bullion dealings a bar (ingot) of pure gold. Bars made by the government are called government bars or government assay bars; bars made by private concerns are called commercial bars.

Gold basis. Exists when values are based on gold money. Gold has a fixed value; it is the basis or standard of commercial value the world over.

Gold bond. A bond specifically payable, principal and interest, in gold.

Gold brick. A colloquial term or synonym for swindle. The term is derived from the fraudulent operation in which a brick or bar of base metal covered with gold is sold as a brick or bar that is all gold. The expression "buying a gold brick" means buying something at a supposedly low price which as a fact is worthless.

Gold-bug. Political nickname for an advocate of the single gold monetary standard.

Gold certificate. A certificate issued against a corresponding amount of gold (coin or bars) held in the Treasury.

Gold certificates are issued in denominations of \$20, 50, \$100, \$500, \$1,000, \$5,000, \$10,000. The issue of them is unlimited.

except that it is suspended when the gold reserve in the Treasury falls below \$100,000,000. Gold certificates are exchangeable at the Treasury for gold coin or any other money.

Gold certificates are not legal tender, but are receivable for customs, taxes and all public dues and when so received may be reissued; they are also available for the reserves of national banks. They were issued payable to bearer only until 1888, when a series payable to order was also provided by the Treasury Department, but in denominations of \$5,000 and \$10,000 only. Gold certificates are, in effect, merely warehouse receipts.

Gold coins. Double-eagle (\$20); weight, 516 grains; thickness, .077 inch; diameter, 1.35 inch. Eagle (\$10); weight, 258 grains; thickness, .060 inch; diameter, 1.05 inch. Half-eagle (\$5); weight, 129 grains; thickness, .046 inch; diameter, .85 inch. Quarter-eagle (\$2.50); weight, .645 grains; thickness, .034 inch; diameter, .75 inch.

The coinage of gold dollar and gold three-dollar pieces was suspended by the act of September 26, 1890.

Gold dollar. A gold piece of the United States weighing 25.8 grains, nine-tenths fine; that is, nine-tenths gold and one-tenth alloy; no longer coined.

Gold export point. The gold export point in foreign exchange is reached when the rate in one country of exchange on another country has advanced to the point where it is cheaper to ship the actual gold than to buy exchange for the purpose of making a remittance from the first country to the second country. For additional information see Gold exports and imports.

Gold exports and imports. If in the course of its dealings with Europe a balance to the credit of America accumulates this balance is settled in due time either by a reversal of the order of things or by Europe sending gold to America to make up the difference. In case there is a balance in favor of Europe and it cannot be settled in any other way then gold has to be sent from America to Europe.

The dealings between America and Europe which bring about a balance in favor of America and against Europe or in favor of Europe and against America include not only

commercial exports and imports, but also financial transactions, such as the sale by America to Europe and the purchase by America from Europe of securities. America has in the course of years sold vast amounts of securities to Europe, but many of these have been resold to America. In recent years America has been a considerable purchaser of European securities, but many of these have been resold to Europe. American travelers spend large sums in Europe, but European travelers spend only partially offsetting sums in America. The carrying trade between America and Europe is largely by vessels owned in Europe and therefore the ocean freight charges constitute an important element in favor of Europe in dealings between America and Europe. These things, with others, like individual remittances from America to Europe and from Europe to America, are combined in creating a balance in favor of or against America.

Whether gold comes from or goes to Europe depends directly on the state of foreign exchange. If bills of exchange (drafts) on Europe are in excessive supply as a consequence of America's having an unusually large credit balance in Europe the bills fall below par—that is, they fall in their marketable value below their actual money value. If they fall enough they can be employed to bring gold from Europe. Banks or bankers who are in the exchange business buy the bills at their depreciated value and buy gold in Europe with them at their full value. They must, however, have fallen enough to cover the expense of packing, freight, insurance and loss of interest on the gold while the gold is in transit. These items figure up something like 3-8 of 1 per cent of the value of the gold. Therefore, any material discount on exchange beyond this amount will permit the importation of gold at a profit.

When gold is exported the situation is reversed. Then, exchange must command a premium—be selling above par. Banks or bankers sell bills of exchange or drafts at a premium to merchants or others who have remittances to make to Europe and buy gold at its face value to ship to Europe to meet the drafts—to pay them. The premium on the drafts must be sufficient to defray the expenses connected with the

exportation of the gold and something besides for profit on the operation.

Gold also comes to America when the foreign owners can find more profitable employment for it here than in Europe. In such cases the American borrowers pay interest on it and a commission or extra charge besides. Gold likewise goes from America to Europe when more profitable use can be found for it abroad than here.

Under ordinary circumstances gold flows from London to New York when demand sterling exchange is quoted in New York at 4.84—4.84 is, in other words, the normal gold import point. Likewise, under ordinary circumstances gold flows from New York to London when demand sterling exchange is quoted in New York at 4.89—4.89 is, in other words, the normal gold export point.

The term *specie point* is sometimes used instead of gold point, but gold point is the term more commonly employed. Literally, *specie* means any kind of metal money, while there is but one meaning to gold.

The tendency, usually, is for gold to flow from or out of the United States to Europe in the period from December to June and from Europe to the United States in the period from July to November. The balance of trade is normally against the United States from December to June. From July to December the reverse is the case as the result of the exportation of the new crops of grain and cotton. For another thing, in this latter period interest rates are high as a consequence of the large requirements of money to pay the growers for their grain and cotton and high interest rates are effective in facilitating the importation of gold from Europe.

The Bank of England, the same as all other buyers and sellers, buys and sells United States gold coins by weight. The value of United States coins in English money is 76 shillings 4 1-2 pence per ounce. The buying price of the bank in ordinary circumstances—the price which it pays—is 76 shillings 3 1-2 pence; its selling price is 3 to 3 1-2 pence higher than its buying price. If it desires to attract to itself United States coins it may raise its buying price above 76 shillings 4 1-2 pence; and if it desires to prevent the withdrawal of American

gold coins from its vaults it may raise its selling price to any point necessary to accomplish its purpose. It is the practise to speak of the buying or the selling price of the Bank of England for United States gold coins as its buying price or selling price for American eagles, although the coins actually bought or sold may be double-eagles (\$20 pieces), eagles (\$10 pieces), half-eagles (\$5 pieces) or quarter-eagles (\$2.50 pieces).

In every country the coins of another country are bought and sold according to weight and fineness. British gold coins are eleven-twelfths fine, whereas United States gold coins are nine-tenths fine—that is, nine-tenths pure gold and one-tenth alloy, the alloy being composed of nine parts copper and one part silver. The gold coins of France and Germany and of most other gold-using countries are nine-tenths fine.

The Bank of England usually has a supply of United States coin which it will sell, but it fixes its own price, which it raises or lowers according to the condition of its gold reserve. The Bank of France, which also usually has a supply of United States coin, employs the same system in selling it. A still more effective method employed by the Bank of England, the Bank of France and other great European banks to protect their gold reserves is the raising of their rates of discount.

In a triangular operation in gold the gold goes from the place where exchange on the other two places is at a premium and it goes to the one of these two places where exchange on the other is at a discount.

Thus, if exchange on both New York and Paris is at a premium in London, while in New York exchange on Paris is at a discount, London will sell exchange on Paris, with the proceeds buy and ship gold to New York, with the gold buy in New York exchange on Paris and with this exchange cover (pay) in Paris the exchange on Paris which it (London) originally sold.

Likewise, if exchange on both London and Paris is at a premium in New York, while in Paris exchange on London is at a discount, New York will sell exchange on London, with the proceeds buy and ship gold to Paris, with the gold buy in Paris exchange on London and with this exchange cover

(pay) in London the exchange on London which it (New York) originally sold.

The profit in the operation is the premium on the exchange originally sold and the discount on the exchange subsequently bought for use in cover (in payment) of the exchange sold, less the cost of shipping the gold.

Gold import point. The gold import point is reached when the rate in one country of exchange on another country has declined to a point where it is profitable to buy exchange on another country and use it to buy gold in the second country (the country where the exchange is payable) for importation to the first country (the country in which the exchange is purchased). For additional information see Gold exports and imports.

Gold imports. See Gold exports and imports.

Gold movement. The export or import movement of gold. See Gold exports and imports.

Gold point. Foreign exchange is said to be at the gold point when it is at the point which permits the importation of gold; likewise foreign exchange is said to be at the gold point when it is at the point which permits the exportation of gold.

Specifically, the gold import point is reached when the rate in one country of exchange on another country has declined to a point where it is profitable to buy exchange on another country and use it to buy gold in the second country (the country where the exchange is payable) for importation to the first country (the country in which the exchange is purchased).

Specifically, likewise, the gold export point is reached when the rate in one country of exchange on another country has advanced to the point where it is cheaper to ship the actual gold than to buy exchange for the purpose of making a remittance.

For additional information see Gold exports and imports.

Gold premium. The amount in excess of its face value that gold money (or its equivalent in bars) commands (is worth) in another kind of money for which it is exchanged. Thus, if 100 gold dollars cost 200 paper dollars gold money is at a pre-

mium of 100 per cent and paper money is at a discount of 50 per cent.

A country whose paper or silver money is not exchangeable on equal terms for gold has a depreciated currency.

Gold reserve. The fund in gold set aside in the United States Treasury for the redemption of United States notes (greenbacks); established at \$100,000,000 by act of Congress, in 1882, which directed the Secretary of the Treasury to suspend the issue of gold certificates when the amount of gold coin and bullion in the Treasury available for redemption of United States notes should fall below that sum; increased to \$150,000,000 by the act of March 14, 1900.

Gold standard. Technically, the gold standard exists where it is by law enacted that gold shall be the measure of value. Practically, gold is the universal measure of value, for in countries where a double standard of value prevails by law silver coinage is limited and silver is used in the capacity of representative money. It is a legal tender for debts, but does not pass current at its bullion value, being sustained at par with gold by the limitation on its use and the fiat of the government which coins it. In silver standard countries domestic trade is based on silver at its bullion value, but that value in turn is based on the outside commerce of the country which is estimated in gold. So, it may be said that gold is the standard of the world, having been adopted as such by law as well as by custom in all the leading commercial nations and being accepted in fact by every other country.

Gold standard act. The name commonly applied to the act of March 14, 1900, which declares that "the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine * * * shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard * * *."

The act, officially designated as "Currency act, approved March 14, 1900," is in full as follows:

An Act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

Be it enacted by the Senate and House of Representatives of the

United States of America in Congress assembled, That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

SEC. 2. That United States notes and Treasury notes issued under the Act of July fourteenth, eighteen hundred and ninety, when presented to the Treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this Act, and in order to secure the prompt and certain redemption of such notes as herein provided it shall be the duty of the Secretary of the Treasury to set apart in the Treasury a reserve fund of one hundred and fifty million dollars in gold coin and bullion, which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to use said notes so redeemed to restore and maintain such reserve fund in the manner following, to wit: First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury; second, by accepting deposits of gold coin at the Treasury or at any subtreasury in exchange for the United States notes so redeemed; third, by procuring gold coin by the use of said notes, in accordance with the provisions of section thirty-seven hundred of the Revised Statutes of the United States. If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below one hundred million dollars, then it shall be his duty to restore the same to the maximum sum of one hundred and fifty million dollars by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of not exceeding three per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest, in gold coin of the present standard of value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in

the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of one hundred and fifty million dollars.

SEC. 3. That nothing contained in this Act shall be construed to affect the legal-tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States.

SEC. 4. That there be established in the Treasury Department, as a part of the office of the Treasurer of the United States, divisions to be designated and known as the division of issue and the division of redemption, to which shall be assigned, respectively, under such regulations as the Secretary of the Treasury may approve, all records and accounts relating to the issue and redemption of United States notes, gold certificates, silver certificates, and currency certificates. There shall be transferred from the accounts of the general fund of the Treasury of the United States, and taken up on the books of said divisions, respectively, accounts relating to the reserve fund for the redemption of United States notes and Treasury notes, the gold coin held against outstanding gold certificates, the United States notes held against outstanding currency certificates, and the silver dollars held against outstanding silver certificates, and each of the funds represented by these accounts shall be used for the redemption of the notes and certificates for which they are respectively pledged, and shall be used for no other purpose, the same being held as trust funds.

SEC. 5. That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the Acts of July fourteenth, eighteen hundred and ninety, and June thirteenth, eighteen hundred and ninety-eight, from bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, to retire and cancel an equal amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this Act or in the ordinary course of business, and upon the cancellation of Treasury notes silver certificates shall be issued against the silver dollars so coined.

SEC. 6. That the Secretary of the Treasury is hereby authorized and directed to receive deposits of gold coin with the Treasurer or any assistant treasurer of the United States, in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than twenty dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve. *Provided*, That whenever and so long as the gold coin held in the reserve fund in the Treasury for the redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars the authority to issue certificates as herein provided shall be suspended: *And provided further*, That whenever and so long as the aggregate amount of United States notes and silver certificates in the

general fund of the Treasury shall exceed sixty million dollars the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for: *And provided further*, That of the amount or such outstanding certificates one-fourth at least shall be in denominations of fifty dollars or less: *And provided further*, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of ten thousand dollars, payable to order. And section fifty-one hundred and ninety-three of the Revised Statutes is hereby repealed.

SEC. 7. That hereafter silver certificates shall be issued only of denominations of ten dollars and under, except that not exceeding in the aggregate ten per centum of the total volume of said certificates, in the discretion of the Secretary of the Treasury, may be issued in denominations of twenty dollars, fifty dollars, and one hundred dollars; and silver certificates of higher denomination than ten dollars, except as herein provided, shall, whenever received at the Treasury or redeemed be retired and canceled, and certificates of denominations of ten dollars or less shall be substituted therefor, and after such substitution, in whole or in part, a like volume of United States notes of less denomination than ten dollars shall from time to time be retired and canceled, and notes of denominations of ten dollars and upward shall be reissued in substitution therefor, with like qualities and restrictions as those retired and canceled.

SEC. 8. That the Secretary of the Treasury is hereby authorized to use, at his discretion, any silver bullion in the Treasury of the United States purchased under the Act of July fourteenth, eighteen hundred and ninety, for coinage into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin: *Provided*, That the amount of subsidiary silver coin outstanding shall not at any time exceed in the aggregate one hundred millions of dollars. Whenever any silver bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, shall be used in the coinage of subsidiary silver coin, an amount of Treasury notes issued under said Act equal to the cost of the bullion contained in such coin shall be canceled and not reissued.

SEC. 9. That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the Treasury not otherwise appropriated.

SEC. 10. That section fifty-one hundred and thirty-eight of the Revised Statutes is hereby amended so as to read as follows:

"Section 5138. No association shall be organized with a less capital than one hundred thousand dollars, except that banks with a capital of not less than fifty thousand dollars may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants, and except that banks with a capital of not less than twenty-five thousand dollars may, with the sanction of the

Secretary of the Treasury, be organized in any place the population of which does not exceed three thousand inhabitants. No association shall be organized in a city the population of which exceeds fifty thousand persons with a capital of less than two hundred thousand dollars."

SEC. 11. That the Secretary of the Treasury is hereby authorized to receive at the Treasury any of the outstanding bonds of the United States bearing interest at five per centum per annum, payable February first, nineteen hundred and four, and any bonds of the United States bearing interest at four per centum per annum, payable July first, nineteen hundred and seven, and any bonds of the United States bearing interest at three per centum per annum, payable August first, nineteen hundred and eight, and to issue in exchange therefor an equal amount of coupon or registered bonds of the United States in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of two per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after thirty years from the date of their issue and said bonds to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: *Provided*, That such outstanding bonds may be received in exchange at a valuation not greater than their present worth to yield an income of two and one-quarter per centum per annum; and in consideration of the reduction of interest effected, the Secretary of the Treasury is authorized to pay to the holders of the outstanding bonds surrendered for exchange, out of any money in the Treasury not otherwise appropriated, a sum not greater than the difference between their present worth, computed as aforesaid, and their par value, and the payments to be made hereunder shall be held to be payments on account of the sinking fund created by section thirty-six hundred and ninety-four of the Revised Statutes: *And provided further*, That the two per centum bonds to be issued under the provisions of this Act shall be issued at not less than par, and they shall be numbered consecutively in the order of their issue, and when payment is made the last numbers issued shall be first paid, and this order shall be followed until all the bonds are paid, and whenever any of the outstanding bonds are called for payment interest thereon shall cease three months after such call; and there is hereby appropriated out of any money in the Treasury not otherwise appropriated, to effect the exchanges of bonds provided for in this Act, a sum not exceeding one-fifteenth of one per centum of the face value of said bonds, to pay the expense of preparing and issuing the same and other expenses incident thereto.

SEC. 12. That upon the deposit with the Treasurer of the United States, by any national banking association, of any bonds of the United States in the manner provided by existing law, such association shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited; and any national

banking association now having bonds on deposit for the security of circulating notes, and upon which an amount of circulating notes has been issued less than the par value of the bonds, shall be entitled, upon due application to the Comptroller of the Currency, to receive additional circulating notes in blank to an amount which will increase the circulating notes held by such association to the par value of the bonds deposited, such additional notes to be held and treated in the same way as circulating notes of national banking associations heretofore issued, and subject to all the provisions of law affecting such notes: *Provided*, That nothing herein contained shall be construed to modify or repeal the provisions of section fifty-one hundred and sixty-seven of the Revised Statutes of the United States, authorizing the Comptroller of the Currency to require additional deposits of bonds or of lawful money in case the market value of the bonds held to secure the circulating notes shall fall below the par value of the circulating notes outstanding for which such bonds may be deposited as security: *And provided further*, That the circulating notes furnished to national banking associations under the provisions of this Act shall be of the denominations prescribed by law, except that no national banking association shall, after the passage of this Act, be entitled to receive from the Comptroller of the Currency, or to issue or reissue or place in circulation, more than one-third in amount of its circulating notes of the denomination of five dollars: *And provided further*, That the total amount of such notes issued to any association may equal at any time but shall not exceed the amount at such time of its capital stock actually paid in: *And provided further*, That under regulations to be prescribed by the Secretary of the Treasury any national banking association may substitute the two per centum bonds issued under the provisions of this Act for any of the bonds deposited with the Treasurer to secure circulation or to secure deposits of public money; and so much of an Act entitled "An Act to enable national banking associations to extend their corporate existence, and for other purposes," approved July twelfth, eighteen hundred and eighty-two, as prohibits any national bank which makes any deposit of lawful money in order to withdraw its circulating notes from receiving any increase of its circulation for the period of six months from the time it made such deposit of lawful money for the purpose aforesaid, is hereby repealed, and all other Acts or parts of Acts inconsistent with the provisions of this section are hereby repealed.

SEC. 13. That every national banking association having on deposit, as provided by law, bonds of the United States bearing interest at the rate of two per centum per annum, issued under the provisions of this Act to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said two per centum bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section fifty-two hundred and fourteen of the Revised Statutes.

SEC. 14. That the provisions of this Act are not intended to preclude

the accomplishment of international bimetallism whenever conditions shall make it expedient and practicable to secure the same by concurrent action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver.

Gold value. The value of any quantity or mass of gold depends upon its fineness as well as its weight. Fineness means the proportion of pure gold and usually it is expressed in thousandths.

The coins of the United States, both gold and silver, are .900 fine, that is, nine-tenths pure metal and one-tenth alloy, the alloy in a gold coin being one part silver and nine parts copper, while that in a silver coin is copper.

An ounce of fine (pure) gold is worth \$20.67.2; an ounce of standard gold (.900 fine) is worth \$18.60.5.

Good delivery. While this term is colloquially in common use the New York Stock Exchange rules for delivery drop the word good as superfluous. A thing, as a stock or a bond, is a delivery (is deliverable) on a contract or is not a delivery (is not deliverable). For information see Delivery, A.

Good merchantable brand. Abbreviation, G. M. B.; this trade term is more commonly used in Great Britain than in the United States.

Good merchantable quality and condition. A commercial term, meaning that the goods supplied must be of the customary standard.

Good ordinary brand. A commercial term; abbreviation, G. O. B.

Goods traffic. English term for what in the United States is called freight traffic, or in other words, freight carried.

Gorgonzola Hall. A facetious designation for the London Stock Exchange because of the resemblance of its marble interior walls to gorgonzola cheese.

Goschens. London Stock Exchange name for the British consols bearing 2 3-4 per cent interest until 1903 and then 2 1-2 per cent and redeemable in 1923. These consols were converted from 3 per cents by Mr. Goschen.

Gould stocks. So called because of the preponderating ownership of them by the Jay Gould estate; the stocks of the Denver & Rio Grande, Missouri Pacific, Rio Grande

Western, St. Louis Southwestern, Texas & Pacific, Wabash, and Wheeling & Lake Erie railroads, and Western Union Telegraph Company.

Governing committee. The name of the general governing body of the New York Stock Exchange, composed of 40 persons, ten of whom are elected on the second Monday in May of each year to serve for the ensuing four years. The president and the treasurer of the exchange are added to the governing committee. A member of the governing committee is commonly called a governor. The Consolidated Stock and Petroleum Exchange is governed by a board of directors. The name of the governing body of the London Stock Exchange is committee for general purposes.

Government assay bar. This is a bar (ingot) of pure gold or a bar of pure silver made by and bearing the assay stamp of the government. A commercial bar is one made by a private concern; its market value in money is fractionally lower than that of a government bar.

Government bar. Same as government assay bar; see Government assay bar.

Government bond. A bond issued by the United States government is commonly designated a government bond.

Government crop report. A report issued monthly by the Department of Agriculture of the United States telling the condition of the various crops and furnishing other related information. The report is issued on the 10th of the month and gives conditions as they existed on the 1st of the month. A report on cotton is issued separately on the 3d of the month and gives conditions as they existed on the 25th of the preceding month.

The reports issued in the different months of the year show:

Report of January.—Total number, compared with that of January of the previous year, of horses, mules, milch cows, other cattle, hogs, and sheep. Average price of horses and mules per head—under one year; between one and two years; between two and three years; over three years. Average price of milch cows per head; average price of other cattle per head—under one year; between one and two years; between two and three years; over three years. Average price of hogs per head—under one year; one year and over. Average price of sheep per head—

under one year; one year and over. Number killed by dogs in previous year.

Report of February.—None.

Report of March.—The proportion of the corn crop of the previous year remaining in farmers' hands for consumption or sale on March 1. Proportion of said crop that has been and will be consumed in the state, county, etc. Proportion of said crop which was of marketable quality. Proportion of said crop that yet remains in the field. Average farm value of the corn on hand: first, merchantable per bushel (shelled); second, unmerchantable per bushel (shelled). The proportion of the wheat crop of the previous year remaining in farmers' hands for consumption or sale on March 1. Proportion of said crop that has been or will be consumed in the state, county, etc. Average weight per bushel (lbs.) of said crop raised in the state, county, etc., in the previous year. Oats: Proportion of the oat crop of the previous year remaining in farmers' hands for consumption or sale on March 1. Proportion that has been or will be consumed in the state, county, etc. Average weight per bushel of the oat crop (lbs.) of the previous year.

Report of April.—Condition of winter wheat and winter rye; condition of soil during the planting season of winter wheat, whether favorable to seeding or germination; whether the period subsequent to seeding winter wheat has been favorable to the plant; whether the plant (winter wheat) has had the usual amount of protection by snow; whether there has been any damage to winter wheat by Hessian flies. How many in every thousand have died during the previous year of horses, from diseases; of cattle, from exposure and from disease; of sheep, not including spring lambs, from exposure and from disease; and of swine from disease. Estimated number of breeding sows March 31, compared with that of March 31 of the previous year.

Report of May.—What proportion of the area sown the previous fall in winter wheat will not be harvested; condition of growing crop of winter wheat; condition of crop of winter rye; condition of meadow mowing lands; condition of spring pasture; the proportion of spring plowing already done. Acreage of cotton; average condition of cotton.

Report of June.—Condition of winter wheat; acreage and condition of spring wheat; acreage and condition of winter and spring rye; acreage and condition of oats; acreage and condition of barley.

Report of July.—Estimated area of corn and Irish potatoes planted during the year; percentage of wheat crop of previous year still on hand; condition of corn, of winter wheat, of spring wheat; of winter rye, of spring rye, of oats, of barley, of Irish potatoes. Average weight per fleece of wool (lbs.). Condition of cotton.

Report of August.—Quality of oats on hand; acreage of buckwheat and hay; condition of corn, of spring wheat, of oats, spring rye, barley, buckwheat, potatoes (Irish), sweet potatoes, hay, condition of cotton.

Report of September.—Conditions of corn, potatoes (Irish), sweet potatoes, buckwheat, wheat. Condition when harvested of wheat, oats,

barley, and rye. Number of hogs and condition as to healthfulness and flesh.

Report of October.—Condition of corn; average yield and quality of the crops of wheat, oats, rye, and barley. Condition of buckwheat, Irish potatoes, sweet potatoes, tobacco, apples, rice, and sugar cane. Average yield, quality, and percentage production of hops. Condition of cotton.

Report of November.—Average yield per acre of corn per bushel, shelled; quality of corn; old corn on hand from crops of previous years; average yield per acre and quality of buckwheat, Irish potatoes, hay, and tobacco; average yield per acre of rice; production of sugar cane.

Report of December.—Production and average price per bushel on December 1 of corn, wheat, oats, rye, barley, buckwheat, Irish potatoes, sweet potatoes, hay, and rice. Area sown and average condition of winter wheat, winter rye. Average price per pound of cotton and leaf tobacco.

In reporting the condition of the crops the basis is 100, which stands for a normal condition. Therefore, a condition above 100 is above the normal, while a condition below 100 is below the normal.

A normal condition is a condition that indicates a full crop—not an average crop, which lacks something of being a full crop; nor yet an extraordinary crop, which is more than (is in excess of) a full crop.

The normal condition, or a condition of 100 per cent, is defined as follows in "The Crop Reporter," a publication of the Department of Agriculture:

THE NORMAL.

So many of the reports of the Statistician of the Department of Agriculture are based upon a comparison with the "normal" that it is a matter of the greatest importance that there should be a clear understanding of what the normal really means.

To begin with, a normal condition is not an average condition, but a condition above the average, giving promise of more than an average crop.

Furthermore, a normal condition does not indicate a perfect crop, or a crop that is or promises to be the very largest in quantity and the very best in quality that the region reported upon may be considered capable of producing. The normal indicates something less than this, and thus comes between the average and the possible maximum, being greater than the former and less than the latter.

The normal may be described as a condition of perfect healthfulness, unimpaired by drought, hail, insects, or other injurious agency, and with such growth and development as may reasonably be looked for under these favorable conditions. As stated in the instructions to correspondents, it does not represent a crop of extraordinary character, such as may be produced here and there by the special effort of some highly

skilled farmer with abundant means, or such as may be grown on a bit of land of extraordinary fertility, or even such as may be grown quite extensively once in a dozen years in a season that is extraordinarily favorable to the crop to be raised. A normal crop, in short, is neither deficient on the one hand nor extraordinarily heavy on the other. While a normal condition is but rarely reported for the entire corn, wheat, cotton, or other crop area, at the same time or in the same year, its local occurrence is by no means uncommon, and whenever it is found to exist, it should be indicated by the number 100.

Sometimes a favorable season for planting is followed by a favorable growing season, with no blight and no depredations by insects, the result being a normal condition. At other times the normal may be maintained by conditions that are exceptionally favorable in one or more particulars counterbalancing conditions that are unfavorable in other particulars. Thus, a crop may have had such an unusually good start that it may pass without injury through a period of drought that would otherwise have proved disastrous to it, or its more than ordinary vigor and potentiality may fully offset some slight injury from insects.

The normal not being everywhere the same, in determining how near the condition of any given crop is to the normal correspondents will usually find it an advantage to have a definite idea of what yield per acre would constitute a full normal crop in their respective districts; that is, how many bushels, pounds, or tons per acre of a particular crop would be produced in a season that was distinctly but not exceptionally favorable. In a region where 30 bushels of corn may be taken as the normal, a condition of 90 would give a prospect of a crop of 27 bushels, and 80 a crop of 24 bushels. If 40 bushels be considered the normal yield, 90 (or ten per cent less than the normal) would indicate a crop of 36 bushels, 80 one of 32 bushels, 70 one of 28 bushels.

For the reason that the normal, represented by 100, does not indicate a perfect or the largest possible crop, it may occasionally be exceeded. The condition may be so exceptionally favorable as to promise a crop that will exceed the normal, and it will accordingly have to be expressed by 105, 110, or whatever other figures may seem warranted by the facts; 105 representing five per cent above the normal, 110 ten per cent, and so forth.

Government depository. A national bank designated to receive deposits of taxes and other public dues collected by the national government. Security has to be provided for the safe keeping and delivery of these funds.

Government note. A name sometimes applied to paper money issued by the government, to distinguish it from a bank note—a note issued by a national bank.

Governments. As a financial term this word means securities issued by the United States government.

Grace. Three days directly following the maturity of a promissory note or bill of exchange (draft) allowed debtors by law in some states in which to make payment.

In most states grace has been abolished on all forms of paper. In some states grace is not allowed on demand drafts, but is allowed on sight drafts; in other states it is allowed on both.

A note payable on January 1, with grace, is in all respects the equivalent of a note payable on January 4, without grace. The first named note is not due in fact or in law until January 4. Interest is to be paid for the three days of grace as for any other portion of the time the note has to run. The holder cannot demand payment until the days of grace of payment have expired and the debtor cannot make payment, except with the consent of the holder, until such time. Should the note be paid before the last day of grace and not be taken up any purchaser who might obtain it from the holder for a valuable consideration before the last day of grace in ignorance of the fact that payment of it had been made could enforce it notwithstanding such payment. He would be a holder who had taken the note before maturity. The effect of grace is simply to postpone the date of payment precisely as might be done in a jurisdiction where grace did not prevail by making the paper payable upon its face and by its express terms upon the date upon which the last day of grace falls.

Grain. The term grain as ordinarily used is construed as meaning wheat, corn and oats.

Grain bill. A draft (bill of exchange) drawn against the buyer or consignee of a shipment of grain. The bill of lading is attached to (accompanies) the draft and is surrendered on payment or acceptance, as the case may be, of the draft.

Granger railroads. Wall Street name for the Chicago & Alton; Chicago, Burlington & Quincy; Chicago, Rock Island & Pacific; Chicago, Milwaukee & St. Paul, and Chicago & Northwestern railroads. These railroads are called granger roads because they are largely dependent for their earnings on the grain and other farm (grange) produce which they carry.

Grant & Ward panic. So called because it had its inception

in the failure on May 6, 1884, of the banking and stock brokerage firm of Grant & Ward, of which ex-President U. S. Grant was senior partner. The failure of the Marine Bank, the Metropolitan Bank and many stock brokers followed. Great dishonesty was disclosed in the affairs of Grant & Ward and the Marine Bank. Ex-President Grant was not involved, but his partner, Ferdinand Ward, and James D. Fish, who was president of the Marine Bank, were sent to prison for their part in the irregularities.

Granted a quotation. The term used when a security is admitted to dealings on the London Stock Exchange.

Gratuity fund. An insurance fund from which a payment is made to the family of a deceased contributor to it. Nearly all exchanges have gratuity funds.

Greenback. The legal tender note officially designated as the United States note; called greenback because the back is printed in green; see United States note.

Gresham's law. This is not an enactment but a law of political economy as expounded by Sir Thomas Gresham, a former master of the British mint. It is that where there are two forms of money the inferior or depreciated tends to drive the other from circulation owing to the hoarding and exportation of the better form. As commonly stated, bad money drives out good.

Gresham's words were: "When two sorts of coin are current in the same nation, of like value by denomination, but not intrinsically, that which has the least value will be current and the other as much as possible will be hoarded."

Gross. All; the entire amount. For instance, the gross earnings of a company are its entire earnings.

Gross earnings. Total earnings.

Gross ton. Same as long ton; 2,240 pounds; a short ton is 2,000 pounds. A metric ton is 2,204.6 pounds.

Ground floor. A colloquialism. When one is permitted to acquire securities of a company on more favorable terms than the general public (as, for instance, a member of an underwriting syndicate) he is said to have been let in on the ground floor.

G. T. C. When these letters are used on an order to buy or

sell stocks or commodities they mean that the order is good till countermanded or good till canceled.

GTD. As printed on the tape by the stock ticker these letters mean guaranteed, as bonds the interest or the interest and principal of which are guaranteed by a company other than the one which issued them.

Guarantee. Same as guaranty; see Guaranty.

Guaranteed bond. A bond the payment of the principal of and interest on which is guaranteed by another. A railroad which leases another railroad usually guarantees the principal of and interest on the bonds (and often the dividends on the stock) of the leased road.

Guaranteed signature. A signature the genuineness of which is guaranteed by some one other than the writer of it.

Guaranteed stock. A stock the dividends on which are guaranteed by a company other than the one which issued it. A railroad which leases another railroad usually guarantees the dividends on the stock of the leased road.

Guarantor. One who guarantees or insures a payment.

Guaranty. Same as guarantee; an undertaking by one person to be responsible for the payment of a debt of another or for the performance of a contract by another who stands first bound to pay or perform.

A guaranty is always enforceable in accordance with the strict meaning of its terms. But a guaranty of payment and a guaranty of collection impose very different obligations on the guarantor. A guaranty of collection is an undertaking by the guarantor that the debt will be paid if and after the creditor employs all the means within his power to collect it. The guarantor cannot be held until the principal debtor has been sued and judgment secured against him and an execution under that judgment has been returned unsatisfied.

But one who guarantees the payment of an obligation is in default the moment the debt is due and unpaid. For he has not guaranteed merely that it can be collected through the usual processes, but that it will be paid when due. If it is not so paid suit may be brought against the guarantor, not only before any suit has been brought against the principal debtor, but even before any demand of payment has been made upon

him. If the principal does not pay promptly when the debt is due, without demand, the guarantor immediately becomes liable.

Guilder. The former name for the unit of value in the Netherlands. The present official name for the coin is florin, but the old name, guilder, is still retained in transactions in foreign exchange. Value, 40.2 cents.

Guinea. An English gold piece, not coined since 1817, worth 21 shillings or \$5.10.98. It derived its name from the fact that it was first coined in 1663 from Guinea gold.

Guinea pig director. London Stock Exchange term for directors who are willing to serve on the board of as many companies as possible merely for the sake of the fees that they receive. The term is said to be derived from the guinea fee that is in some cases paid for each attendance.

Gunning for shorts. A Wall Street colloquialism, signifying that means are being employed to compel bears to cover their shorts, or in other words, to buy back the stocks they sold short.

H

Half-dime. A silver piece formerly issued worth 5 cents.

Half-dollar. The silver coin weighing 192.9 grains; it is .057 inch thick and its diameter is 1.2 inch.

Half-eagle. A name given to the \$5 gold coin of the United States; weight, 129 grains; thickness, .046 inch; diameter, .85 inch.

Half-stock. Stock of the par value of \$50 instead of \$100 as usual. Stock of the par value of \$100 is called full stock.

Hallmark. English; an official mark stamped on articles of gold or silver to indicate that they are of standard quality.

Hammered. Said when a member of the London Stock Exchange is declared a defaulter—that is, when he fails to meet his contracts.

The head waiter (attendant), acting under instructions from the committee for general purposes, strikes three blows with his wooden hammer or mallet on his rostrum to secure attention, after which he announces that "Mr. Blank is unable to comply with his bargains" (contracts).

Hammered dollar. Mexico when released from the rule of Spain retained a large amount of Spanish silver coins. The royal effigy on the silver dollar was officially battered or hammered out of recognition, which served the double purpose of testifying to the emancipation of Mexico and of keeping the coins at home. The silver dollar thus defaced was commonly designated as the hammered dollar.

Hammond's time. At 14 minutes after 2 p. m. on each business day except Saturday the words "Hammond's time" are printed on the tape by the stock ticker and afterwards the lever of the instrument sounds fifteen beats. When the fifteenth beat is sounded it is 2.15 p. m. and the end of the time for the delivery of securities in settlement of contracts entered into on the New York Stock Exchange which mature on the current day. Failure by a seller to deliver to a purchaser by 2.15 stocks sold on the New York Stock Exchange previously in the day for cash (see *For cash*) or sold in the regular way (see *Regular way*) on the preceding day constitutes a default by the seller on the contract.

A watchmaker named Hammond supplies the stock exchange with its official time; hence the name Hammond's time. In speaking of Hammond's time it is the habit to abbreviate it to simply "time."

The stock exchange time was formerly supplied by a watchmaker named Ladd and it then was known as Ladd's time.

Hand-to-hand money. This term applies to money of small denominations such as ordinarily passes between individuals or ordinarily is used in trade.

Hard. Said when rates, prices or markets are higher.

Hard coal. A common name for anthracite coal. For additional information see *Anthracite coal*.

Hard money. A colloquial name for coins of gold and silver, as distinguished from soft or paper money.

Hard spot. A stock or a group of stocks displaying pronounced strength in an otherwise generally weak market.

Head-money. A per capita tax; a premium or bonus of so much per head.

Hectolitre. The unit of grain measurement in France; 2.83 bushels.

Hedging. An operation intended as a protection against loss in another operation. Usually hedging is selling against a purchase or purchasing against a sale; but, as in stocks, it may be buying or selling one stock to offset a possible loss in another.

Hog products. In speculation these are pork lard and short ribs. Other hog products are sides, hams, shoulders and bacon.

Holder. This term applies to one who has possession of or holds for collection any negotiable instrument, as a check, bill of exchange (draft) or promissory note.

Also, one who owns securities (stocks and bonds) is a holder of securities.

Holder of procuration. One who holds or has the power to sign per procuration; see *Per procuration*.

Holding company. Same as securities company; a company which owns the securities of other companies and depends for its income upon the interest and dividends yielded by these securities. It usually issues bonds as well as stock itself. Its bonds are collateral trust bonds, being secured by the bonds or stocks of other companies that it owns. A holding company is not necessarily a controlling company—it is not necessary that it should possess a majority of the stocks of the companies whose securities constitute or are included in its assets.

Holding the bag. A Wall Street colloquialism; said of an unwilling buyer. For example, a speculator or a pool may have arranged to buy a certain amount of a particular stock in expectation of an advance in it only to find out when the proposed amount has been accumulated that it is necessary in consequence of free offerings to continue purchases to prevent a fall in the price. If the speculator or pool keeps on

buying he or it is, in Wall Street parlance, holding the bag—that is, receiving stock that others wish to part with.

A speculator or pool may hold the bag in grain, cotton, coffee or any other speculative commodity as well as in a stock.

Holding the floor. Possessing the first right to buy or to sell in accordance with exchange rules. See Floor rules.

Holding the market. Keeping the market steady—buying to prevent a decline or selling to prevent an advance.

Also, possessing the first right to buy or sell a stock (as on an exchange; see Floor rules) is holding the market (for that stock).

Holiday. See Bank holidays; also see Legal holiday.

Home commerce or trade. Same as domestic commerce or trade; commerce or trade exclusively within the limits of a particular country.

Home rails. London Stock Exchange name for the shares of railroads in Great Britain.

Honeycombed with stop orders. Said when a speculative market contains many stop orders; see Stop order.

Honored. Said when the drawee (the one who is to accept or pay) accepts or pays (as required) a bill of exchange (draft) on presentation to him.

Hours of business. See Business hours.

House, The. Among members of the London Stock Exchange the exchange is called the house, the same as in New York the stock exchange is called the board.

Hypothecation. The pledging of securities or other property as collateral for loans. When securities are pledged for a loan the title to them is surrendered to the bank or other lender with which or whom they are pledged.

On the London Stock Exchange stock pledged as collateral is said to be pawned.

Hypothecation certificate. A certificate lodged by the seller with the buyer of a bill of exchange drawn against a shipment of property; it describes the nature of the shipment and states that the bill of lading, insurance policy, etc., are lodged and pledged with the holder of the bill of exchange as security for the payment of the bill (or for the acceptance of the bill) by the drawee (the one drawn upon).

I

I. As printed on the tape by the stock ticker this Roman numeral means first, as first mortgage bonds or first income bonds or first preferred stock.

II. As printed on the tape by the stock ticker these Roman numerals mean second, as second mortgage bonds or second income bonds or second preferred stock.

III. As printed on the tape by the stock ticker these Roman numerals mean third, as third mortgage bonds or third income bonds.

Identification of a stockholder. In London the owner of inscribed stock (government or municipal bonds) is inscribed on the books at designated places of registration. The owner of inscribed stock sold on the London Stock Exchange has to be identified by a broker on the exchange or his clerk before the stock sold can be transferred. Such transfers, however, are frequently carried out by means of a power of attorney.

IMP. As printed on the tape by the stock ticker these letters mean improvement, as improvement bonds.

Imperial Bank of Germany. An institution in Berlin corresponding in a general way to the Bank of England in London. It is commonly called the Reichsbank, which means Imperial Bank.

The Imperial Bank of Germany has existed under its present name since January 1, 1876, but it succeeded the Bank of Prussia, which was founded in 1765. Its shares are owned by individuals, but the institution is under the supervision of the government. The bank issues notes, but has no exclusive privilege, other banks also being permitted to issue notes.

Implied contract. A contract which is implied or imposed by operation of law.

Importing countries. Countries producing less grain than is required for home consumption and relying on other countries to supply the deficiency. The leading grain importing countries are Belgium, Brazil, China, Germany, Great Britain, France, Holland, Italy, Japan, Spain and the West Indies.

Imports. Goods or any articles of trade or commerce brought into a country from another country.

Import trade. Goods and other articles of commerce bought and brought from other countries; another name is inward trade.

Impost. A government tax or levy, especially a customs duty.

Improvement bond. A bond issued for improvements; usually of about the standing of a second mortgage bond, although in a permanent improvement it may represent a first lien.

IN. As printed on the tape by the stock ticker these letters mean income, as income bonds.

Inactive account. (Or slow account); an account to which debits and credits are not frequently added.

An inactive account in a bank is one which is not frequently augmented by deposits and likewise is not frequently diminished by drafts upon (by checks drawn against) it.

An inactive speculative account (as in stocks, grain, cotton or coffee, etc.) is one where the speculator does not buy and sell with frequency.

Inactive stock. A stock little dealt in. An inactive stock may not continue inactive; it may rouse into activity and then it becomes and is classed as an active stock.

In and out. In speculation buying and then selling the same stock quickly, or the reverse, selling and then buying.

In bond. Held under bond or in trust.

Dutiable imported goods may be placed in a bonded warehouse. The owners file a bond to pay the duties when the goods are withdrawn from the warehouse. Domestic products subject to the internal revenue tax may also be placed in bond under similar conditions.

In case of need. This is an indorsement sometimes placed

on a bill of exchange naming a person who will pay it for the honor (credit) of the drawer (or an indorser) should the bill not be met (paid) at maturity by the drawee (the one who was to pay it). The usual form is "In case of need apply to A. B. (Signed) C. D.," meaning that if the bill is not paid A. B. will pay it for account of C. D. (the drawer or an indorser). Sometimes the indorsement is written simply "In need, with A. B. (Signed) C. D."

Inc clearer. The name given to the clerk in a bank in Great Britain who receives at the clearing house items, (checks, drafts, etc.) to be collected from his bank and who makes a record of them and strikes the balance at the clearing house between the debits and credits of his bank.

Also see Outclearer.

Income. Revenue; the amount of money coming to a person or a corporation (usually interpreted as meaning annually), whether as payment for services or as interest or other profit from investment.

See Income table.

Income account. Also called revenue account; contains, in the case of a stock company, (1) gross earnings; (2) operating expenses; (3) net income from all sources; (4) charges for interest, etc., and all charges before dividends; (5) dividends and surplus.

Income basis. The percentage of return from an investment, as, for example, the percentage that the interest on a bond or the dividend on a stock equals when calculated on the cost of the bond or stock.

A bond or stock paying 6 per cent which is bought at 120 returns or yields 5 per cent; therefore, this bond or stock at 120 is on a 5 per cent income basis.

The par or face value of most stocks is \$100. There are many stocks, however, of the par or face value of \$5, \$10, \$25 and \$50. Transactions in stocks are usually by percentage. A stock of the par value of \$100 which is quoted at 75 is worth \$75, or in other words, 75 cents on the dollar. A stock of the par value of \$50 which is quoted at 75 is worth \$37.50. To

find out the value of a stock in dollars multiply its face value by its percentage price, thus:

Par or face	\$100
Percentage price	75
	<hr/>
	500
	700
	<hr/>
Value	\$7500

Or, omitting ciphers, \$75.

Another example follows:

Par or face.....	\$25
Percentage price	57
	<hr/>
	175
	125
	<hr/>
Value	\$1425

Or, after the insertion of the decimal point, \$14.25.

Most bonds are in denominations of \$1,000 or \$500, but there are some in smaller denominations. There are United States bonds in denominations as small as \$20. Transactions in bonds are by percentage the same as in stocks. To find the cost of a bond in dollars multiply the face value by its percentage price, thus:

Face value	\$1000
Percentage price	97
	<hr/>
	7000
	9000
	<hr/>
Cost	\$97000

Or, omitting ciphers, \$970.

Another example follows:

Face value	\$500
Percentage price	103
	<hr/>
	1500
	500
	<hr/>
Cost	\$51500

Or, omitting ciphers, \$515.

To ascertain the return from an investment divide the rate of dividend or interest by the percentage price. An example follows where the price is 109 and the dividend or interest is 6 per cent:

$$\begin{array}{r}
 109)6 \quad (0055 \\
 \underline{545} \\
 550 \\
 \underline{545} \\
 5
 \end{array}$$

Omitting the ciphers and supplying the decimal point the return is shown to be 5.5 per cent and a fraction.

See Income table.

Income bond. A bond that is a lien on the net income (earnings) of a corporation; it receives interest only when earned and is little better than preferred stock. All fixed charges and obligatory payments (including taxes) must be met before anything can be paid on an income bond, but it is entitled to interest up to a specified amount before a dividend can be paid on stock, either preferred or common.

Income table. On succeeding pages is printed a table showing the rate per cent of income annually realized from stocks or bonds at different yearly rates of dividend or interest from 1 to 20 per cent, at purchase prices from 10 to 300 per cent. To ascertain the rate per cent of income find the purchase price and follow the line of figures across to the column headed with the rate of dividend or interest.

Purchase Price.	$\frac{1}{4}$ per cent.	$\frac{1}{2}$ per cent.	2 per cent.	$2\frac{1}{2}$ per cent.	3 per cent.	$3\frac{1}{2}$ per cent.
10	10	15	20	25	30	35
15	6.66	10	13.33	16.66	20	23.33
20	5	7.50	10	12.50	15	17.50
22	4.54	6.81	9.09	11.36	13.63	15.90
24	4.16	6.25	8.33	10.41	12.50	14.58
26	3.84	5.76	7.69	9.61	11.53	13.46
28	3.57	5.35	7.14	8.92	10.71	12.50
30	3.33	5	6.66	8.33	10	11.66
32	3.12	4.68	6.25	7.81	9.37	10.93
34	2.94	4.41	5.88	7.35	8.82	10.29
36	2.77	4.16	5.55	6.94	8.33	9.72
38	2.63	3.94	5.26	6.57	7.89	9.21
40	2.50	3.75	5	6.25	7.50	8.75
42	2.38	3.57	4.76	5.95	7.14	8.33
44	2.27	3.40	4.54	5.68	6.81	7.95
46	2.17	3.26	4.34	5.43	6.52	7.60
48	2.08	3.12	4.16	5.20	6.25	7.29
50	2	3	4	5	6	7
51	1.96	2.94	3.92	4.90	5.88	6.86
52	1.92	2.88	3.84	4.80	5.76	6.73
53	1.88	2.83	3.77	4.71	5.66	6.60
54	1.85	2.77	3.70	4.62	5.55	6.48
55	1.81	2.72	3.63	4.54	5.45	6.36
56	1.78	2.67	3.57	4.46	5.35	6.23
57	1.75	2.63	3.50	4.38	5.26	6.14
58	1.72	2.58	3.44	4.31	5.17	6.03
59	1.69	2.54	3.38	4.23	5.08	5.93
60	1.66	2.50	3.33	4.16	5	5.83
61	1.63	2.45	3.27	4.09	4.91	5.73
62	1.61	2.41	3.22	4.03	4.83	5.64
63	1.58	2.38	3.17	3.96	4.76	5.55
64	1.56	2.34	3.12	3.90	4.68	5.46
65	1.53	2.30	3.07	3.84	4.61	5.38
66	1.51	2.27	3.03	3.78	4.54	5.30
67	1.49	2.23	2.98	3.73	4.47	5.22
68	1.47	2.20	2.94	3.67	4.41	5.14
69	1.44	2.17	2.89	3.62	4.34	5.07
70	1.42	2.14	2.85	3.57	4.28	5
71	1.40	2.11	2.81	3.52	4.22	4.92
72	1.38	2.08	2.77	3.47	4.16	4.86
73	1.36	2.05	2.73	3.42	4.10	4.79
74	1.35	2.02	2.70	3.37	4.05	4.72
75	1.33	2	2.66	3.33	4	4.66
76	1.31	1.97	2.63	3.28	3.94	4.60
77	1.29	1.94	2.59	3.24	3.89	4.54
78	1.28	1.92	2.56	3.20	3.84	4.48
79	1.26	1.89	2.53	3.16	3.79	4.43
80	1.25	1.87	2.50	3.12	3.75	4.37
81	1.23	1.85	2.46	3.08	3.70	4.32
82	1.21	1.82	2.43	3.04	3.65	4.26
83	1.20	1.80	2.40	3.01	3.61	4.21
84	1.19	1.78	2.38	2.97	3.57	4.16
85	1.17	1.76	2.35	2.94	3.52	4.11
86	1.16	1.74	2.32	2.90	3.48	4.06
87	1.14	1.72	2.29	2.87	3.44	4.02
88	1.13	1.70	2.27	2.84	3.40	3.97
89	1.12	1.68	2.24	2.80	3.37	3.93
90	1.11	1.66	2.22	2.77	3.33	3.88

Purchase Price.	1 per cent.	1½ per cent.	2 per cent.	2½ per cent.	3 per cent.	3½ per cent.
91	1.09	1.64	2.19	2.74	3.29	3.84
92	1.08	1.63	2.17	2.71	3.26	3.80
93	1.07	1.61	2.15	2.68	3.22	3.76
94	1.06	1.59	2.12	2.65	3.19	3.72
95	1.05	1.57	2.10	2.63	3.15	3.68
96	1.04	1.56	2.08	2.60	3.10	3.64
97	1.03	1.54	2.06	2.57	3.09	3.60
98	1.02	1.53	2.04	2.55	3.06	3.57
99	1.01	1.51	2.02	2.52	3.03	3.53
100	1	1.50	2	2.50	3	3.50
101 .....	.99	1.48	1.98	2.47	2.97	3.46
102 .....	.98	1.47	1.96	2.45	2.94	3.43
103 .....	.97	1.45	1.94	2.42	2.91	3.39
104 .....	.96	1.44	1.92	2.40	2.88	3.36
105 .....	.95	1.42	1.90	2.38	2.85	3.33
106 .....	.94	1.41	1.88	2.35	2.83	3.30
107 .....	.93	1.40	1.86	2.33	2.80	3.27
108 .....	.92	1.38	1.85	2.31	2.77	3.24
109 .....	.91	1.37	1.83	2.29	2.75	3.21
110 .....	.90	1.36	1.81	2.27	2.72	3.18
111 .....	.90	1.35	1.80	2.25	2.70	3.15
112 .....	.89	1.33	1.78	2.23	2.67	3.12
113 .....	.88	1.32	1.77	2.21	2.65	3.09
114 .....	.87	1.31	1.75	2.19	2.63	3.07
115 .....	.86	1.30	1.73	2.17	2.60	3.04
116 .....	.86	1.29	1.72	2.15	2.58	3.01
117 .....	.85	1.28	1.70	2.13	2.56	2.99
118 .....	.84	1.27	1.69	2.11	2.54	2.96
119 .....	.84	1.26	1.68	2.10	2.52	2.94
120 .....	.83	1.25	1.66	2.08	2.50	2.91
121 .....	.82	1.23	1.65	2.06	2.47	2.89
122 .....	.81	1.22	1.63	2.04	2.45	2.86
123 .....	.81	1.21	1.62	2.03	2.43	2.84
124 .....	.80	1.20	1.60	2.01	2.41	2.82
125 .....	.80	1.20	1.60	2	2.40	2.80
130 .....	.76	1.15	1.53	1.92	2.30	2.69
135 .....	.74	1.11	1.48	1.85	2.22	2.59
140 .....	.71	1.07	1.42	1.78	2.14	2.50
145 .....	.68	1.03	1.37	1.72	2.06	2.41
150 .....	.66	1	1.33	1.66	2	2.33
155 .....	.64	.96	1.29	1.61	1.93	2.25
160 .....	.62	.93	1.25	1.56	1.87	2.18
165 .....	.60	.90	1.21	1.51	1.81	2.12
170 .....	.58	.88	1.17	1.47	1.76	2.05
175 .....	.57	.85	1.14	1.42	1.71	2
180 .....	.55	.83	1.11	1.38	1.66	1.94
185 .....	.54	.81	1.08	1.35	1.62	1.89
190 .....	.52	.78	1.05	1.31	1.57	1.84
195 .....	.51	.76	1.02	1.28	1.53	1.79
200 .....	.50	.75	1	1.25	1.50	1.75
210 .....	.47	.71	.95	1.19	1.42	1.66
220 .....	.45	.68	.90	1.13	1.36	1.59
225 .....	.44	.66	.88	1.11	1.33	1.55
230 .....	.43	.65	.86	1.08	1.30	1.52
240 .....	.41	.62	.83	1.04	1.25	1.45
250 .....	.40	.60	.80	1	1.20	1.40
275 .....	.36	.54	.72	.90	1.09	1.27
300 .....	.33	.50	.66	.83	1	1.16

Purchase Price.	4 per cent.	4½ per cent.	5 per cent.	5½ per cent.	6 per cent.	6½ per cent.
10	40	45	50	55	60	65
15	26.66	30	33.33	36.66	40	43.33
20	20	22.50	25	27.50	30	32.50
22	18.18	20.45	22.72	25	27.27	29.54
24	16.66	18.75	20.83	22.91	25	27.08
26	15.38	17.30	19.23	21.15	23.07	25
28	14.28	16.07	17.85	19.64	21.42	23.21
30	13.33	15	16.66	18.33	20	21.66
32	12.50	14.06	15.62	17.18	18.75	20.31
34	11.76	13.23	14.70	16.17	17.64	19.11
36	11.11	12.50	13.88	15.27	16.66	18.05
38	10.52	11.84	13.15	14.47	15.78	17.10
40	10	11.25	12.50	13.75	15	16.25
42	9.52	10.71	11.90	13.09	14.28	15.47
44	9.09	10.22	11.36	12.50	13.63	14.77
46	8.69	9.78	10.86	11.95	13.04	14.13
48	8.33	9.37	10.41	11.45	12.50	13.54
50	8	9	10	11	12	13
51	7.84	8.82	9.80	10.78	11.76	12.74
52	7.60	8.65	9.61	10.57	11.53	12.50
53	7.54	8.49	9.43	10.37	11.32	12.26
54	7.40	8.33	9.25	10.18	11.11	12.03
55	7.27	8.18	9.09	10	10.90	11.81
56	7.14	8.03	8.92	9.82	10.70	11.60
57	7.01	7.89	8.77	9.64	10.52	11.40
58	6.89	7.75	8.62	9.48	10.34	11.20
59	6.77	7.62	8.47	9.32	10.16	11.01
60	6.66	7.50	8.33	9.16	10	10.83
61	6.55	7.37	8.19	9.01	9.83	10.65
62	6.45	7.25	8.06	8.87	9.67	10.48
63	6.34	7.14	7.93	8.73	9.52	10.31
64	6.25	7.03	7.81	8.59	9.37	10.15
65	6.15	6.92	7.69	8.46	9.23	10
66	6.06	6.81	7.57	8.33	9.09	9.84
67	5.97	6.71	7.46	8.20	8.95	9.70
68	5.88	6.61	7.35	8.08	8.82	9.55
69	5.79	6.52	7.24	7.97	8.69	9.42
70	5.71	6.42	7.14	7.85	8.57	9.28
71	5.63	6.33	7.04	7.74	8.45	9.15
72	5.55	6.25	6.94	7.63	8.33	9.02
73	5.47	6.16	6.84	7.53	8.21	8.90
74	5.40	6.08	6.75	7.43	8.10	8.78
75	5.33	6	6.66	7.33	8	8.66
76	5.26	5.92	6.57	7.23	7.89	8.55
77	5.19	5.84	6.49	7.14	7.79	8.44
78	5.12	5.76	6.41	7.05	7.69	8.33
79	5.06	5.69	6.32	6.96	7.59	8.22
80	5	5.62	6.25	6.87	7.50	8.12
81	4.93	5.55	6.17	6.79	7.40	8.02
82	4.87	5.48	6.09	6.70	7.31	7.92
83	4.81	5.42	6.02	6.62	7.22	7.83
84	4.76	5.35	5.95	6.54	7.14	7.73
85	4.70	5.29	5.88	6.47	7.05	7.64
86	4.65	5.23	5.81	6.39	6.97	7.55
87	4.59	5.17	5.74	6.32	6.89	7.47
88	4.54	5.11	5.68	6.25	6.81	7.38
89	4.49	5.05	5.61	6.17	6.74	7.30
90	4.44	5	5.55	6.11	6.66	7.22

Purchase Price.	4 per cent.	4½ per cent.	5 per cent.	5½ per cent.	6 per cent.	6½ per cent.
91	4.39	4.94	5.49	6.04	6.59	7.14
92	4.34	4.89	5.43	5.97	6.52	7.06
93	4.30	4.83	5.37	5.91	6.45	6.98
94	4.25	4.78	5.31	5.85	6.38	6.91
95	4.21	4.73	5.26	5.78	6.31	6.84
96	4.16	4.68	5.20	5.72	6.25	6.77
97	4.12	4.63	5.15	5.67	6.18	6.69
98	4.08	4.59	5.10	5.61	6.12	6.63
99	4.04	4.54	5.05	5.55	6.06	6.56
100	4	4.50	5	5.50	6	6.50
101	3.96	4.45	4.95	5.44	5.94	6.43
102	3.92	4.41	4.90	5.39	5.88	6.37
103	3.88	4.36	4.85	5.33	5.82	6.31
104	3.84	4.32	4.80	5.28	5.76	6.25
105	3.80	4.28	4.76	5.23	5.71	6.19
106	3.77	4.24	4.71	5.18	5.66	6.13
107	3.73	4.20	4.67	5.14	5.60	6.07
108	3.70	4.16	4.62	5.09	5.55	6.01
109	3.66	4.12	4.58	5.04	5.50	5.96
110	3.63	4.09	4.54	5	5.45	5.90
111	3.60	4.05	4.50	4.95	5.40	5.85
112	3.57	4.01	4.46	4.90	5.35	5.80
113	3.54	3.98	4.42	4.86	5.30	5.75
114	3.50	3.94	4.38	4.82	5.26	5.70
115	3.47	3.91	4.35	4.78	5.21	5.65
116	3.44	3.87	4.31	4.74	5.17	5.60
117	3.41	3.84	4.27	4.70	5.12	5.55
118	3.38	3.81	4.23	4.66	5.08	5.50
119	3.36	3.78	4.20	4.62	5.04	5.46
120	3.33	3.75	4.16	4.58	5	5.41
121	3.30	3.71	4.13	4.54	4.95	5.37
122	3.27	3.68	4.09	4.50	4.91	5.32
123	3.25	3.65	4.06	4.47	4.87	5.28
124	3.22	3.62	4.03	4.43	4.83	5.24
125	3.20	3.60	4	4.40	4.80	5.20
130	3.08	3.46	3.84	4.23	4.61	5
135	2.96	3.33	3.70	4.07	4.44	4.81
140	2.85	3.21	3.57	3.92	4.28	4.64
145	2.75	3.10	3.44	3.79	4.13	4.48
150	2.66	3	3.33	3.66	4	4.33
155	2.58	2.90	3.22	3.54	3.87	4.19
160	2.50	2.81	3.12	3.43	3.75	4.06
165	2.42	2.72	3.03	3.33	3.63	3.93
170	2.35	2.64	2.94	3.23	3.52	3.82
175	2.28	2.57	2.85	3.14	3.42	3.71
180	2.22	2.50	2.77	3.05	3.33	3.61
185	2.16	2.43	2.70	2.97	3.24	3.51
190	2.10	2.36	2.63	2.89	3.15	3.42
195	2.05	2.30	2.56	2.82	3.07	3.33
200	2	2.25	2.50	2.75	3	3.25
210	1.90	2.14	2.38	2.61	2.85	3.09
220	1.81	2.04	2.27	2.50	2.72	2.95
225	1.77	2	2.22	2.44	2.66	2.88
230	1.73	1.97	2.17	2.39	2.60	2.82
240	1.66	1.87	2.08	2.29	2.50	2.70
250	1.60	1.80	2	2.20	2.40	2.60
275	1.45	1.63	1.81	2	2.18	2.36
300	1.33	1.50	1.66	1.83	2	2.16

Purchase Price.	7 per cent.	7 $\frac{1}{2}$ per cent.	7½ per cent.	8 per cent.	8½ per cent.	9 per cent.
10	70	73	75	80	85	90
15	46.66	48.66	50	53.33	56.66	60
20	35	36.50	37.50	40	42.50	45
22	31.81	33.18	34.09	36.36	38.63	40.90
24	29.16	30.41	31.25	33.33	35.41	37.50
26	26.92	28.07	28.84	30.70	32.69	34.61
28	25	26.07	26.78	28.57	30.35	32.14
30	23.33	24.33	25	26.66	28.33	30
32	21.87	22.81	23.43	25	26.56	28.12
34	20.58	21.47	22.05	23.52	25	26.47
36	19.44	20.27	20.83	22.22	23.61	25
38	18.42	19.21	19.73	21.05	22.36	23.68
40	17.50	18.25	18.75	20	21.25	22.50
42	16.66	17.38	17.85	19.04	20.23	21.42
44	15.90	16.59	17.04	18.18	19.31	20.45
46	15.21	15.86	16.30	17.39	18.47	19.56
48	14.58	15.20	15.62	16.66	17.70	18.75
50	14	14.60	15	16	17	18
51	13.72	14.31	14.70	15.68	16.66	17.64
52	13.46	14.03	14.42	15.38	16.34	17.30
53	13.20	13.77	14.15	15.09	16.03	16.98
54	12.96	13.51	13.88	14.81	15.74	16.66
55	12.72	13.27	13.63	14.54	15.45	16.36
56	12.50	13.03	13.39	14.28	15.17	16.07
57	12.27	12.80	13.15	14.03	14.91	15.78
58	12.06	12.58	12.93	13.79	14.65	15.51
59	11.86	12.37	12.71	13.55	14.40	15.25
60	11.66	12.16	12.50	13.33	14.16	15
61	11.47	11.95	12.39	13.11	13.93	14.75
62	11.29	11.77	12.09	12.90	13.70	14.51
63	11.11	11.58	11.90	12.69	13.49	14.28
64	10.93	11.40	11.68	12.50	13.28	14.06
65	10.76	11.23	11.53	12.30	13.07	13.84
66	10.60	11.06	11.36	12.12	12.87	13.63
67	10.44	10.89	11.19	11.94	12.68	13.43
68	10.29	10.73	11.02	11.76	12.50	13.23
69	10.14	10.57	10.86	11.59	12.31	13.04
70	10	10.42	10.71	11.43	12.14	12.85
71	9.85	10.28	10.56	11.26	11.97	12.67
72	9.72	10.13	10.41	11.11	11.80	12.50
73	9.58	10	10.27	10.95	11.63	12.32
74	9.45	9.86	10.13	10.80	11.49	12.16
75	9.33	9.73	10	10.66	11.33	12
76	9.21	9.60	9.86	10.52	11.18	11.84
77	9.09	9.48	9.74	10.38	11.03	11.68
78	8.97	9.35	9.61	10.25	10.89	11.53
79	8.86	9.24	9.49	10.12	10.75	11.39
80	8.75	9.12	9.37	10	10.62	11.25
81	8.64	9.01	9.25	9.87	10.49	11.11
82	8.53	8.90	9.14	9.75	10.36	10.97
83	8.43	8.79	9.03	9.63	10.24	10.84
84	8.33	8.69	8.92	9.52	10.11	10.71
85	8.23	8.58	8.82	9.41	10	10.58
86	8.13	8.48	8.72	9.30	9.88	10.46
87	8.04	8.39	8.62	9.19	9.77	10.34
88	7.94	8.29	8.52	9.09	9.65	10.22
89	7.86	8.20	8.42	8.98	9.55	10.11
90	7.77	8.11	8.33	8.88	9.44	10

Purchase Price.	7 per cent.	7 3-10 per cent.	7½ per cent.	8 per cent.	8½ per cent.	9 per cent.
91	7.69	8.02	8.24	8.79	9.34	9.89
92	7.60	7.93	8.15	8.69	9.23	9.78
93	7.52	7.84	8.06	8.60	9.13	9.67
94	7.44	7.76	7.97	8.51	9.04	9.57
95	7.36	7.68	7.89	8.42	8.94	9.47
96	7.29	7.60	7.81	8.33	8.85	9.37
97	7.21	7.52	7.73	8.24	8.76	9.27
98	7.14	7.45	7.65	8.16	8.67	9.18
99	7.07	7.37	7.57	8.08	8.58	9.09
100	7	7.30	7.50	8	8.50	9
101	6.93	7.22	7.42	7.92	8.41	8.91
102	6.86	7.15	7.35	7.84	8.33	8.82
103	6.79	7.08	7.28	7.76	8.25	8.73
104	6.72	7.01	7.21	7.69	8.17	8.65
105	6.66	6.95	7.14	7.61	8.09	8.57
106	6.60	6.88	7.07	7.54	8.01	8.49
107	6.54	6.82	7	7.47	7.94	8.41
108	6.48	6.75	6.94	7.40	7.87	8.33
109	6.42	6.69	6.88	7.33	7.79	8.25
110	6.36	6.63	6.81	7.27	7.72	8.18
111	6.30	6.57	6.75	7.20	7.65	8.10
112	6.25	6.51	6.69	7.14	7.58	8.03
113	6.19	6.46	6.63	7.07	7.52	7.96
114	6.14	6.40	6.57	7.01	7.45	7.89
115	6.08	6.34	6.52	6.95	7.39	7.82
116	6.03	6.29	6.46	6.89	7.32	7.75
117	5.98	6.23	6.41	6.83	7.26	7.69
118	5.93	6.18	6.35	6.77	7.20	7.62
119	5.88	6.13	6.30	6.72	7.14	7.56
120	5.83	6.08	6.25	6.66	7.08	7.50
121	5.78	6.03	6.19	6.61	7.02	7.43
122	5.73	5.98	6.14	6.55	6.96	7.37
123	5.69	5.93	6.09	6.50	6.91	7.31
124	5.65	5.88	6.04	6.45	6.85	7.25
125	5.60	5.80	6	6.40	6.80	7.20
130	5.38	5.61	5.76	6.15	6.53	6.92
135	5.18	5.33	5.55	5.92	6.29	6.66
140	5	5.21	5.35	5.71	6.07	6.42
145	4.82	5.03	5.17	5.51	5.86	6.20
150	4.66	4.86	5	5.33	5.66	6
155	4.51	4.70	4.83	5.16	5.48	5.80
160	4.37	4.56	4.68	5	5.31	5.62
165	4.24	4.42	4.54	4.84	5.15	5.45
170	4.11	4.29	4.41	4.70	5	5.29
175	4	4.17	4.23	4.57	4.85	5.14
180	3.88	4.05	4.16	4.44	4.72	5
185	3.78	3.94	4.05	4.32	4.59	4.86
190	3.68	3.84	3.94	4.21	4.47	4.73
195	3.58	3.79	3.84	4.10	4.35	4.61
200	3.50	3.65	3.75	4	4.25	4.50
210	3.33	3.47	3.57	3.80	4.04	4.28
220	3.18	3.31	3.40	3.63	3.86	4.09
225	3.11	3.24	3.33	3.55	3.77	4
230	3.04	3.17	3.26	3.47	3.69	3.91
240	2.91	3.04	3.12	3.33	3.54	3.75
250	2.80	2.92	3	3.20	3.40	3.60
275	2.54	2.65	2.72	2.90	3.09	3.27
300	2.33	2.40	2.50	2.66	2.83	3

Purchase Price.	9½ per cent.	10 per cent.	11 per cent.	12 per cent.	15 per cent.	20 per cent.
10	95	100	110	120	150	200
15	63.33	66.66	73.13	80	100	133.33
20	47.50	50	55	60	75	100
22	43.18	45.45	50	54.54	68.18	90.90
24	39.58	41.66	45.83	50	62.50	83.33
26	36.53	38.46	42.30	46.15	57.69	76.92
28	33.92	35.71	39.28	42.85	53.57	71.42
30	31.66	33.33	36.66	40	50	66.66
32	29.68	31.25	34.37	37.50	46.87	62.50
34	27.94	29.41	32.35	35.29	44.11	58.82
36	26.38	27.77	30.55	33.33	41.66	55.55
38	25	26.31	28.94	31.57	39.47	52.63
40	23.75	25	27.50	30	37.50	50
42	22.61	23.80	26.19	28.57	35.71	47.61
44	21.59	22.72	25	27.27	34.09	45.45
46	20.65	21.73	23.91	26.08	32.60	43.47
48	19.79	20.83	22.91	25	31.25	41.66
50	19	20	22	24	30	40
51	18.62	19.60	21.56	23.52	29.41	39.21
52	18.26	19.23	21.15	23.07	28.84	38.46
53	17.92	18.86	20.75	22.64	28.30	37.73
54	17.59	18.51	20.37	22.22	27.77	37.03
55	17.27	18.18	20	21.81	27.27	36.36
56	16.96	17.85	19.64	21.42	26.78	35.71
57	16.66	17.54	19.29	21.05	26.31	35.08
58	16.37	17.24	18.96	20.68	25.86	34.48
59	16.10	16.94	18.64	20.33	25.42	33.80
60	15.83	16.66	18.33	20	25	33.33
61	15.57	16.39	18.03	19.67	24.59	32.78
62	15.32	16.12	17.73	19.35	24.19	32.25
63	15.07	15.87	17.46	19.04	23.80	31.74
64	14.84	15.62	17.18	18.75	23.43	31.25
65	14.61	15.38	16.92	18.46	23.07	30.76
66	14.39	15.15	16.66	18.18	22.72	30.30
67	14.17	14.92	16.41	17.91	22.38	29.85
68	13.97	14.70	16.17	17.64	22.05	29.41
69	13.76	14.49	15.94	17.39	21.73	28.98
70	13.57	14.28	15.71	17.14	21.42	28.57
71	13.38	14.08	15.49	16.90	21.12	28.16
72	13.19	13.89	15.28	16.66	20.83	27.77
73	13.01	13.69	15.06	16.43	20.54	27.39
74	12.83	13.51	14.86	16.21	20.27	27.02
75	12.66	13.33	14.66	16	20	26.66
76	12.50	13.15	14.47	15.78	19.73	26.31
77	12.33	12.98	14.27	15.58	19.48	25.97
78	12.17	12.82	14.10	15.38	19.23	25.64
79	12.02	12.65	13.92	15.18	18.98	25.31
80	11.87	12.50	13.75	15	18.75	25
81	11.72	12.34	13.58	14.81	18.51	24.69
82	11.58	12.19	13.41	14.63	18.29	24.39
83	11.45	12.04	13.25	14.45	18.04	24.09
84	11.30	11.90	13.09	14.28	17.85	23.80
85	11.17	11.76	12.94	14.11	17.64	23.52
86	11.04	11.62	12.79	13.95	17.44	23.25
87	10.91	11.49	12.64	13.79	17.24	22.98
88	10.79	11.36	12.50	13.63	17.04	22.72
89	10.67	11.23	12.35	13.48	16.85	22.47
90	10.55	11.11	12.22	13.33	16.66	22.22

Purchase Price.	9½ per cent.	10 per cent.	11 per cent.	12 per cent.	15 per cent.	20 per cent.
91	10.44	10.98	12.08	13.18	16.48	21.97
92	10.32	10.86	11.95	13.04	16.30	21.73
93	10.21	10.75	11.82	12.90	16.12	21.50
94	10.10	10.63	11.70	12.76	15.95	21.27
95	10	10.52	11.57	12.63	15.78	21.05
96	9.89	10.41	11.46	12.50	15.72	20.83
97	9.79	10.30	11.34	12.37	15.46	20.61
98	9.69	10.20	11.22	12.24	15.30	20.40
99	9.59	10.10	11.11	12.12	15.15	20.20
100	9.50	10	11	12	15	20
101	9.40	9.90	10.89	11.88	14.85	19.80
102	9.31	9.80	10.78	11.76	14.70	19.60
103	9.22	9.70	10.67	11.65	14.56	19.41
104	9.13	9.61	10.57	11.53	14.42	19.23
105	9.04	9.52	10.47	11.42	14.28	19.04
106	8.96	9.43	10.37	11.32	14.15	18.86
107	8.87	9.34	10.28	11.21	14.01	18.69
108	8.79	9.25	10.18	11.11	13.88	18.51
109	8.71	9.17	10.09	11	13.76	18.34
110	8.63	9.09	10	10.90	13.63	18.18
111	8.55	9	9.90	10.81	13.51	18.01
112	8.48	8.92	9.81	10.71	13.39	17.85
113	8.40	8.84	9.73	10.61	13.27	17.69
114	8.33	8.77	9.64	10.52	13.15	17.54
115	8.26	8.69	9.56	10.43	13.04	17.39
116	8.18	8.61	9.48	10.34	12.93	17.24
117	8.11	8.54	9.40	10.25	12.83	17.09
118	8.05	8.47	9.32	10.16	12.71	16.94
119	7.98	8.40	9.24	10.08	12.60	16.80
120	7.91	8.33	9.16	10	12.50	16.66
121	7.85	8.26	9.09	9.91	12.39	16.52
122	7.78	8.19	9.01	9.83	12.29	16.39
123	7.72	8.13	8.94	9.76	12.19	16.26
124	7.66	8.06	8.87	9.67	12.09	16.12
125	7.60	8	8.80	9.60	12	16
130	7.30	7.69	8.46	9.23	11.53	15.38
135	7.03	7.40	8.14	8.88	11.11	14.81
140	6.78	7.14	7.85	8.57	10.71	14.28
145	6.55	6.89	7.58	8.27	10.34	13.79
150	6.33	6.66	7.33	8	10	13.33
155	6.12	6.45	7.09	7.74	9.67	12.90
160	5.93	6.25	6.87	7.50	9.37	12.50
165	5.75	6.06	6.66	7.27	9.09	12.12
170	5.58	5.88	6.47	7.05	8.82	11.76
175	5.42	5.71	6.28	6.85	8.57	11.42
180	5.27	5.55	6.11	6.66	8.33	11.11
185	5.13	5.40	5.94	6.48	8.10	10.81
190	5	5.26	5.78	6.31	7.89	10.52
195	4.87	5.13	5.64	6.15	7.69	10.25
200	4.75	5	5.50	6	7.50	10
210	4.52	4.76	5.23	5.71	7.14	9.52
220	4.31	4.54	5	5.45	6.81	9.09
225	4.22	4.44	4.88	5.33	6.66	8.88
230	4.13	4.34	4.78	5.21	6.52	8.69
240	3.90	4.16	4.58	5	6.25	8.33
250	3.80	4	4.40	4.80	6	8
275	3.45	3.63	4	4.36	5.45	7.27
300	3.16	3.33	3.66	4	5	6.66

Income tax. A tax levied upon the income or profits of an individual. Such a tax is levied in Great Britain.

Inconvertible money. Money which is simply a promise to pay and without either gold or silver back of it into which it can be converted.

Incorporation. In its business application incorporation is the procuring by a joint-stock company of the authority of the law to carry on business. See Articles of incorporation; also see Charter.

Indent. Name for an order sent abroad for goods, containing particulars as to its execution, together with terms and conditions upon which it is given.

Indenture. A contract under seal.

Independent Treasury system. After the removal of the funds of the Federal government from the Bank of the United States in 1833 public moneys were deposited in selected state banks (called "pet banks" by the opponents of the administration). The results were entirely unsatisfactory. Large losses were suffered by the government and both political and business chaos followed.

Finally, in 1840, an act was passed making the government the actual custodian of its own moneys. Vaults and safes were provided for the Treasury at Washington, Sub-Treasuries were established in several of the larger cities and mints and branch mints were made places of deposit. The law was repealed in 1841 and reenacted in 1846. In the interim the funds were handled under the independent Treasury system without the authority of law.

From 1846 the system was exclusively in operation until 1863 when the national banking act was passed. This law did not change the principle of the system, which is still in operation, but modified it to the extent that national banks could become depositories of public funds upon supplying United States bonds as security in the full amount of the money deposited with them.

The system has been entirely successful so far as safety is concerned, but the locking up of such large amounts of money as the government always keeps on hand has been a distinct economic loss and in times of monetary stringency an enor-

mous Treasury surplus has been an actual menace to the business of the country.

India Council bill. A draft (bill of exchange) on (payable in) India issued by the India Council, the body or commission which manages the business affairs of India in London.

The revenues of India are collected in silver rupees (nominally worth 2 shillings or 48.6 cents, but officially rated as worth 16 pence or 32.44 cents); but much of the expenditures of India, including the interest on its debt, has to be paid in sovereigns in Great Britain. The India Council, therefore, by means of Council bills exchanges some of its rupees in India for gold in London. On the other hand, merchants in London who import Indian products, for which they have to pay rupees in India, exchange their gold in London for rupees in India—that is, with their gold they buy India Council bills, which are payable in rupees in India.

Remitters to India (those who have obligations to meet in India) are given an opportunity every Wednesday by the India Council to tender (bid) for Council bills. The bills are allotted (sold) to those who pay the highest prices for them. Some of the allotments are in telegraphic transfers, as distinguished from bills—that is, the Council orders by cable the immediate payment in India of these allotments. In allotment of bills the order for payment is forwarded by mail. Telegraphic transfers bring a fractionally higher price than bills. Special allotments are made at times other than the regular Wednesday meeting of the Council.

India Council draft. Same as India Council bill; see India Council bill.

India Council remittance. A bill of exchange or a telegraphic transfer payable in India which is sold by the India Council. For information see India Council bill.

India rupee paper. Designation for the promissory notes issued by the Indian government the interest on which is payable by drafts on India. When they bear on their face notification that interest (in the form of drafts on India) can be collected at the Bank of England they are termed enfaced paper. These drafts are readily bought by parties having remittances to make to India.

Indicator. Commonly called the ticker; the machine operated by electricity which prints the quotations of stocks, grain, cotton, etc., on a paper tape.

Also, an automatic apparatus by which prices are thrown into view is called an indicator. Such an apparatus is sometimes used in reporting prices in grain and oil (petroleum) markets.

Indirect exchange. Exchange between three or more places. For instance, a person in New York who desires to make a remittance to Chicago may find it advantageous to buy a draft (bill of exchange) on St. Louis and with this draft purchase in St. Louis a draft on Chicago. Again, a person in New York who desires to make a remittance to London may find it advantageous to buy a bill of exchange (draft) on Paris and with this bill purchase in Paris a bill on London. For additional information see Arbitration of exchange.

Direct exchange is when only two places are involved; see Direct exchange.

Indorsed bond. A coupon bond issued to bearer upon which has been placed an indorsement not properly pertaining to it must, according to New York Stock Exchange rules, be sold specifically as an indorsed bond and is not a delivery except as an indorsed bond.

Any indorsement on a coupon bond stating that it has been deposited as security for bank circulation or for insurance requirement may be released by an acknowledgment of the release before a notary public; it will then be a delivery in accordance with New York Stock Exchange rules as a released indorsed bond.

Sometimes the owner of a coupon bond inscribes the fact of his ownership on the bond, as, for instance, "This bond is the property of John Jones." In such a case in making a change in the ownership of the bond a formal assignment of it in blank must be executed by the owner and it then may be sold under the New York Stock Exchange rules specifically as a released indorsed bond.

Indorsee. One to whom transfer by indorsement is made. For additional information see Indorsement.

Indorsement. A guarantee of payment of a promissory note, check, draft (bill of exchange), etc.

In some cases, as where indorsed for collection, only the genuineness of the signature is guaranteed. When applied to negotiable instruments the term indorsement means an **in**-dorsement completed by delivery of the instrument.

An indorser of a negotiable instrument contracts with the present holder or any future holder that if the maker does not pay it he (the indorser) will if it is duly protested for non-payment and notice of the protest is sent to the indorser.

An indorser is wholly discharged if the instrument is **not** properly protested or if the security held for it is released or not properly protected or if the time for payment is extended without the indorser's assent or if the maker or any preceding indorser pays it after it is due.

When an indorser writes above his indorsement (signature) "Protest waived" the necessity of protesting the instrument to hold the indorser is dispensed with.

Indorsement must be on the paper so long as there is room on the back or front; when there is no room it may be placed on a piece of paper, designated allonge, attached to the instrument.

Indorsement of a negotiable instrument which is in the hands of another is evidence that the indorser has surrendered his ownership of it.

Indorsers are liable to each other in the order in which their indorsements appear on the instrument (unless they have made a specific agreement to the contrary). In other words, each indorser is liable for the full amount of the instrument to any of the indorsers whose names are written under (following) his; but he is not liable to any indorser whose name is written above (preceding) his. The holder may proceed against any of the indorsers regardless of their liability as between themselves.

A note or other negotiable instrument may be indorsed in nine different ways, each imposing a different liability on the indorser.

An indorsement in full (1), another name for which is special indorsement, specifies by name the person in whose favor

it is made and to whom or to whose order the payment is to be made.

An indorsement in blank (2) consists merely of the name of the indorser written on the back of the instrument. The receiver of a negotiable instrument indorsed in blank or any bona fide holder of it may write over it an indorsement in full to himself or to another or any contract consistent with the character of an indorsement, but he cannot enlarge the liability of the indorser in blank by writing over it a waiver of any of his rights, such as demand and notice.

An absolute indorsement (3) binds the indorser to pay on no other condition than the failure of the prior parties to do so and on due notice to him of their failure.

A conditional indorsement (4) contains some condition to the indorser's liability.

An indorsement may be so worded as to restrict the further negotiability of the instrument; it is then a restrictive indorsement (5). The words "For collection" written on a note render the indorsement restrictive. The indorser in such a case may hold that he is not the owner of the note and did not mean to give a title to it or to its proceeds when collected; such an indorsement merely makes the indorsee agent for the indorser in collecting the note.

A qualified indorsement or indorsement without recourse (6) consists in writing the words "Without recourse to" or "At the indorsee's own risk" on the back of the note; the indorser is then a mere assignor of the title to the note and is relieved of responsibility for its payment.

A joint indorsement (7) is an indorsement on a promissory note that is payable to two or more persons who are not partners.

Successive indorsement (8) is made by several persons the legal effect being to subject each of them to each other in the order in which they indorse; the indorsement imparts several and successive, but not joint obligation.

Irregular indorsement (9) may originate in any of several ways. But in every case an indorser guarantees the genuineness of all preceding signatures.

In order to hold the indorser of a check it should be presented

to the bank for collection the day it is received by the payee (the one to whom the amount of it is to be paid)—it must be presented the following day. In case the payee does not reside in the place where is situated the bank upon which the check is drawn the payee must transmit it for collection not later than the hour for the closing of the last mail on the day following the day on which he received it. A bank receiving it for collection must forward it on the day of its receipt. To send it through various banks or through parties in various places constitutes negligence if the time of presentation is thereby delayed.

When a maker of a promissory note is in default the indorser is absolved from responsibility for payment in case he wrote before his name at the time of the indorsement "Without recourse to." An indorser of a promissory note is exempt from liability if notice of its dishonor is not mailed to or served upon him within 24 hours of its non-payment.

When a promissory note is discounted by a bank with which the maker has an account the amount of the note must be charged against the account, otherwise the indorsers, if there be any, are released from responsibility.

Indorser. Properly and strictly an indorser is one who has put his name on the back of a piece of negotiable paper in order to transfer title from himself to another. Very commonly, however, the word is used to include both this class of persons and also those who have put their names upon the paper as sureties.

For additional informaton see Indorsement.

Industrial. Pertaining to industry; processes or products of manufacture; or commercial production generally.

Industrial stock. The stock of a manufacturing company.

In exchange. When the words "in exchange" are appended to a draft the amount of the draft is to be paid in exchange on the place from which the draft emanates.

For example, if a person in New York draws on a person in Chicago, the draft being payable in exchange on New York, the person in Chicago must pay the draft in exchange on New York; that is, he delivers in payment of the draft a bill of exchange (which is a draft) payable in currency (money) in New

York. Such a bill of exchange he may purchase from a bank in Chicago and it will be paid by the bank in New York which is a correspondent of the bank in Chicago.

It is the same when a promissory note is payable in exchange. For example, a merchant in Chicago may purchase goods of a merchant in New York and give for them a note payable in exchange on New York. When the note matures (falls due) the merchant in Chicago pays it with a bill of exchange on New York.

Very few drafts and notes are made payable in exchange for the reason that the fact of making them so payable renders them non-negotiable instruments.

In exchange is different from with exchange; see With exchange.

Inflation bill. The name given to a bill passed by Congress in 1874 which provided for an increase of \$44,000,000 in the issue of legal tender notes (United States notes, commonly called greenbacks). The bill also provided for the redemption of legal tender notes in gold coin or in government 5 per cent bonds and further provided that the notes when so redeemed might be reissued. Objection was raised that the constant reissue of legal tender notes and their conversion into bonds would increase the funded debt (bond issue) without retiring the notes. President Grant vetoed the bill.

Initialed check. When a bank cashier or paying teller puts his initials on a check it signifies that the signature is correct; but this initialing of a check is not a certification of it; nor is it in any sense an indorsement of it.

Inland exchange. Same as domestic exchange; see Domestic exchange.

In liquidation. See Liquidation.

In need. See In case of need.

Inscribed stock. English term; stock (government, colonial or municipal bonds) the name of the owner of which is inscribed on the books at the designated places of registration. The owner of inscribed stock sold on the London Stock Exchange has to be identified by a broker on the exchange or the broker's clerk. See Identification of a stockholder.

Insider. One who knows about the inside affairs of a corporation or about the secrets of a deal.

In sight. This term is used to signify stocks (supplies) of grain, cotton, coffee or other commodities available for immediate use.

Insolvent. The financial condition of one whose property is not sufficient to pay his debts.

Inspection. When used as a trade term it means the inspection and grading of grain or other commodities by individuals authorized to do so by law or such inspection and grading by exchanges or other commercial organizations.

Instalment notes. A series of promissory notes, issued in discharge of a single obligation, which fall due (mature) at intervals. These are separate notes, but they accomplish payment of the obligation by instalments.

Insufficient funds. When a check is received by the bank upon which it is drawn and the drawer (issuer) has not sufficient funds to his credit with which to meet it the words "Insufficient funds" are stamped or written on the check and the check is rejected.

Interest. The charge for the use of money; also the money so paid is designated as interest. The amount paid in regular instalments to the holders of bonds is designated as interest, while the amount paid in regular instalments to the holders of stock is designated as dividend.

On time loans interest is generally calculated on the basis of 30 days in a month and 360 days in a year. On call loans and on demand or sight paper interest is calculated on the basis of 365 days in a year. (On notes interest in New York state is calculated at 6 per cent in the absence of a special agreement). Interest on bonds is calculated on the basis of 30 days in a month and 360 days in a year.

In New York state the requirement that not more than 6 per cent interest shall be charged on money loaned does not apply to call loans. The law says: "Upon advances of money repayable on demand to an amount not less than five thousand dollars made upon warehouse receipts, bills of lading, certificates of stock, certificates of deposit, bills of exchange, bonds or other negotiable instruments, pledged as collateral security

for such repayment, any bank or individual banker may receive or contract to receive and collect as compensation for making such advances any sum to be agreed upon in writing by the parties to such transaction."

It was formerly provided in New York state that, "for the purpose of calculating interest a month shall be considered as the twelfth part of a year and as consisting of thirty days; and interest for any number of days less than a month shall be estimated by the proportion which such number of days shall bear to 30." Now, however, there is no definite provision of law on the subject. Legally, a year contains as many days as there are in it, and legally, likewise, a month contains as many days as there are in it. Counting 30 days as a month and 12 months of 30 days each as a year is a matter of convenience; and while such a basis of calculation might be disputed it seldom is.

The date of payment of interest is the date on which the principal falls due unless a different time is expressly stated in the note or other obligation.

The rule of the New York Stock Exchange is that for the time intervening between the sale of securities and their delivery when transactions are regular way (delivery the day after sale) or at 3 (delivery at the end of three days) no interest is chargeable by one broker against the other; nor does either the buying or selling broker make a charge against his customer for interest.

For longer contracts, however, as buyer (or seller) 4, 10, 20, 30 or 60, when receipt (or delivery) is not required until the end of the time specified (whatever it may be), interest is charged and is paid by the buyer if the purchase is made with the privilege accorded to him of not receiving and paying for the securities for a period named; or it is charged to and paid by the seller if the sale is made with the privilege accorded to him of not delivering the securities for a period named. Exceptions to the rule are contracts flat (without interest).

On time contracts (contracts of longer duration than three days) the rate of interest charged, unless otherwise stipu-

lated, is 6 per cent, to be calculated by days. Accrued dividends on stocks and interest on bonds go to the buyer.

In marginal transactions in stocks the practise as regards interest is illustrated by the following example:

If a speculator buys 100 shares of stock at 100 on 10 per cent margin his broker receives the stock and pays \$10,000 for it to the broker from whom it was purchased. The buying broker has received \$1,000 from his customer and he advances to the customer \$9,000, holding the stock as security for the money so advanced. On the \$9,000 he charges interest (usually 6 per cent). If the stock is sold later at 110 \$11,000 is received for it. The gross profit is \$1,000, but from this amount are deducted the broker's commission and the interest on the money advanced by the broker.

Usually when a stock is sold short no interest has to be paid by the seller (the broker's customer). The broker who lends the stock pays interest on the money which is received for the stock from the borrowing broker and which is held pending the return of the stock. Even when the stock is lending flat no interest has to be paid by the seller for the reason that while no interest is collected from the lender of the stock on the money advanced on it to him the value of it is collected from the one to whom the stock was sold and to whom the borrowed stock was delivered in fulfilment of the sale. One amount, accordingly, balances the other. When, however, the stock is lending at a premium (when not only no interest is paid by the lender of the stock, but a premium for its use is exacted by him from the borrowing broker) the speculator for whom it is borrowed to make delivery is charged with the amount of the premium. The actual owner of the stock is credited with the amount of the premium by his broker, who loaned the stock.

See *And interest*; also see *Compound interest*; also see *Income table*.

The term *interest* is frequently used in the sense of ownership, as, for instance, "the Jones interest in the Overland Railroad is large," meaning that Jones's ownership in the stock (or other securities of the road) is large; or the Jones

interest may refer to the ownership, not by Jones alone, but by Jones and associates.

The term interest is commonly used in referring to speculative operations. For instance, the long interest in the stock market means the amount of stocks that has been bought and is held in expectation of an advance. The term applies in the same way to an individual stock; it means the total amount of the stock that has been bought and is held in expectation of an advance. On the other hand, the short interest means the amount of the stocks (or the stock) that has been sold short in expectation of a decline.

Interest account. The interest account is the account in which are entered what is paid out as interest and what is received as interest.

The interest account of an individual speculator is the charge against him made by the broker for interest on the difference between the margin furnished by him and the cost of the stocks or commodities (grain, cotton or coffee, etc.) bought for him while they are carried (held) for him. The interest account is an important consideration in the operations of a speculator.

A broker usually charges his customers interest at the full legal rate (in New York state, 6 per cent), whereas, he is usually able to borrow money at a materially lower rate for use in carrying his customers' stocks or commodities. The broker's interest account (as distinguished from the speculator's interest account) is, therefore, profitable to him. It is often the case that the profit in a broker's interest account defrays his office expenses.

Interest-bearing. Bearing or paying interest. The bonds issued by the United States government, since the government pays interest on them, are interest-bearing obligations; the money issued by the United States government, since the government pays no interest on it, is a non-interest-bearing obligation.

Interest-bearing debt. A debt upon which interest is paid.

Interest on balance. The interest paid on the amount standing to the credit of a bank depositor at the end of each day (the interest generally being computed monthly).

Interest warrant. A warrant (or check) given in payment of interest, as, for instance, interest on a bond.

Interim certificate. A temporary certificate, as, for instance, a certificate calling for and exchangeable for a specified number of shares of stock not yet issued but to be issued.

Interim dividend. Distribution of profit in advance—that is, before the books are made up and the final and full dividend for the year is declared.

Interior movement of money. This term as used in New York means the movement or flow of money from New York to other domestic points (but not wholly interior points; seaboard points are included) and the flow from other domestic points to New York. When it is said that the interior movement of money is in favor of New York it is meant that more money is coming to New York than is going from New York. Likewise, when it is said that the interior movement of money is against New York it is meant that more money is going from New York than is coming to New York.

Internal commerce or trade. Home commerce or trade; commerce within the boundaries of a country.

Internal revenue. Revenue derived from excise and license duties or taxes and special taxes on personal property.

International check. A check drawn in one country and payable in any other country where the drawer has a correspondent. Such checks are sold by foreign exchange houses.

International cheque. Same as international check; see International check.

International money. Gold, the purchasing power of which is the same throughout the civilized world.

International stock. Means in Wall Street an American stock which is dealt in on the London Stock Exchange as well as on the New York Stock Exchange.

International trade. The exports and imports of a country.

Interstate commerce law. An act of Congress (February 4, 1887) for the regulation of commerce between the several states and establishing a special commission for the administration of the law. The law prohibits unjust discrimination in freight charges by means of special rates and prohibits the

pooling of freight (see *Pool*) by competing lines of transportation.

Into the bargain. In addition to what was agreed; thrown in for good measure; besides.

Inventory. A detailed schedule of merchandise or other property.

Investment bill. A bill of exchange bought at a discount and held for the profit that will be realized when paid at its face (full amount) at maturity.

Investment broker. One who buys or sells stocks and bonds outright and not on margin for others.

Investment buying. Means in Wall Street buying of securities by persons who intend to hold their purchases for dividends or interest or for appreciation in value.

Investment securities. Securities purchased to be held permanently, more especially to secure the interest and dividends which they pay.

In ordering the purchase of securities on the New York Stock Exchange the practise is to deposit margin with the broker the same as in a speculative transaction. Then, the balance is paid to the broker when the securities are ready for delivery. In ordering by mail margin is sent. A demand draft is drawn by the broker on the purchaser for the balance and the securities are attached to the draft to be surrendered to the purchaser on the payment of the draft. The draft and securities may be sent through a bank, which will undertake the transmission of the securities and the collection of the draft, or it may be sent by an express company, which will do the work.

In buying direct from a dealer, if the transaction is conducted in his office, it is a simple matter of purchase and payment, although the payment must be in a manner satisfactory to the dealer—by certified check or cash.

In selling through a broker securities that have been held for investment the practise is for the seller to deliver the securities to the broker and take his receipt for them. Then, on the sale of the securities the broker will deliver his check for the amount realized from the securities. The receipt may be re-

turned, although this is not necessary. In selling to a dealer it is a simple matter of making a bargain with him.

The best way of transmitting stocks or bonds to and from out-of-town points is by express. It is the rule for the out-of-town party to the transaction, whether he is buyer or seller, to pay the express charges as the expense would be avoided by his receipt or delivery of the securities in person or by representative. The express charges are based on the value of the securities as marked on the outside of the package and the express company is liable only to the extent of the marked value upon which charges are paid. A package of securities, therefore, should be marked with the real value if it is desired to hold the express company responsible for the full value in case of the loss of the package.

Unassigned registered bonds and unassigned stock may be sent by registered letter, but coupon bonds and stocks assigned in blank, being liable to total loss, should be sent by express.

Points to be considered in purchasing securities for investment are that the principal and interest (or dividend) shall be assured; that the income from the securities shall be satisfactory; that the securities shall be readily salable; and that the securities shall be available to pledge as collateral for loans in case it is desired to use them in that way.

Also see *Income basis*.

Investment speculation or speculative investment. Is when a person buys outright a stock or a bond, primarily to obtain the dividend or interest paid on it, but also with the intention of selling should there be a material advance in the price of the security.

Likewise, the term applies when a person buys outright a stock that is not paying dividends, but which the buyer expects will in time pay dividends, with a resultant improvement in the price of the stock; or the term applies when a person buys outright a bond that is not paying interest (as an income bond), but which the buyer expects will in time pay interest, with a resultant improvement in the price of the bond.

Investor. One who buys stocks and bonds to hold for dividends or interest or for appreciation in value; or one who buys

any property for the income it will bring or for an appreciation in its value.

Also see Investment securities.

Invisible supply. A trade term for grain in the hands of farmers or others and not included in the statement of visible supply; see Visible supply.

Invoice. A list of goods or materials sent to a purchaser, consignee or factor, together with prices and charges.

Inward trade. Another name for import trade; goods and other articles of trade bought and brought from other countries.

I O U. I owe you; a written acknowledgment of debt; a memorandum of an obligation. The letters I O U are followed by the amount of the indebtedness and then by the signature.

When the I O U simply specifies the amount of the debt it is a mere acknowledgment of the obligation, but when to it is added a promise to pay at a certain future time it is a promissory note and is enforceable as such.

I. p. These letters are sometimes used in stock market reports for instalment paid, as instalment on the purchase price or instalment of an assessment.

Irish dividend. A facetious term used when an assessment is levied on a stock.

Ironclad note. A name given to the form of note required by banks and other lenders of money from borrowers who furnish collateral security; the correct name is collateral note; see Collateral note.

Irredeemable bond. A bond which cannot be redeemed or paid off, but the interest on which goes on forever. There have been such stock (equivalent to bond) issues in Europe by municipalities, but they have now for the most part been bought up and canceled.

Irredeemable currency. Paper money redeemable neither in gold nor silver; fiat money. United States notes (greenbacks) are irredeemable currency for the reason that while they are received and paid for in gold by the United States Treasury they are not retired but are reissued.

Irregular. Not according to requirements.

Also, the stock market is irregular when some stocks advance and others decline in price.

Irregular indorsement. Not in the usual manner. An irregular indorsement may originate in any of several ways; but in any case an indorser guarantees the genuineness of all preceding signatures.

Irrevocable assignment. An assignment that cannot be revoked. Such an assignment is made in transferring title to stocks and bonds.

Irrevocable power of attorney. A power of attorney that cannot be revoked; such a power is given in assigning or transferring title to stocks and bonds. The blank or form used for a stock is commonly spoken of as a stock power and that for a bond as a bond power.

On the London Stock Exchange the equivalent of an irrevocable power of attorney for stocks or bonds is a transfer deed.

I. S. C. Abbreviation in railroad accounts for interstate commerce.

Issue. When applied to negotiable instruments the term issue means the first delivery of the instrument complete in form to a person who takes it as a holder; when applied to securities the term means the outstanding stock or bonds of a company.

J

Jay Cooke panic. So-called; Jay Cooke & Co., a large banking house in New York, failed September 18, 1873. A panic followed. The Union Trust Company stopped business temporarily (partly as a result of a defalcation of \$500,000 by its secretary); the Bank of the Commonwealth closed its doors and never reopened them and numerous other financial concerns and stock brokers went down in the crash.

At 11 o'clock on Saturday, September 20, the governing committee of the New York Stock Exchange ordered the exchange to be closed and it was not reopened until September 30.

The failure of Jay Cooke & Co. was brought about by the collapse of their effort to finance the Northern Pacific Railroad, which was then in course of construction.

The so-called Jay Cooke panic is also generally known as the panic of 1873.

Jeweler's bar. A name given to a bar or ingot of fine (pure) gold of a size convenient for use in the fine arts. Jeweler's bars are of different sizes, containing from \$100 to \$600 worth of gold. A large size containing \$5,000 worth is also made.

Also see Export bar.

Job. To buy in bulk from manufacturer or importer and sell in lots to dealers.

Jobber. A member of the London Stock Exchange who deals between members of the exchange and not for outside principals or clients. He is practically a wholesale dealer in securities; buying as well as selling. He will either buy or sell at prices named by him.

The jobbers make the market (establish the prices) in London, whereas in New York prices are established by the bids and offers of brokers.

On the London Stock Exchange a broker is not a jobber; he is merely an agent who acts for another in buying from or

selling to a jobber. A broker in executing an order asks a jobber to "make a price" on the security in which he wishes to deal and the jobber, who does not know whether the broker is buyer or seller, names two prices, for instance, 99 3-8 and 99 5-8, meaning that he will sell at the higher or buy at the lower price. If the broker has an order to buy he buys of the jobber at his (the jobber's) selling price or if he has an order to sell he sells to the jobber at his (the jobber's) buying price. The jobber expects to undo or cover the bargain at a profit by a fresh transaction with another jobber or broker. The jobber has prices for the account and other prices for money. See For the account; also see For cash, under which title will be found the definition of for money.

Another name for jobber is dealer, but its use is less frequent than jobber.

The member of the New York Stock Exchange who corresponds in a measure to the jobber on the London Stock Exchange is the room trader (sometimes called floor trader). He speculates on his own account and when he purchases a stock he tries at once or as soon as possible to sell it at a profit. Likewise, when he sells a stock short (sells stock which he does not own) he tries at once or as soon as possible to buy it back at a profit. He is not ready, as is the London jobber, to either buy or sell at prices named by himself, but he bids for (offers to buy) or offers (offers to sell) stock accordingly as he thinks he may be able to make a profit by probable subsequent changes in the price. It is his purpose each day, if practicable, to even up—to sell as many stocks as he has bought or to buy as many stocks as he has sold.

In trade a jobber is one who buys goods in bulk from the importer and manufacturer and sells to the retailer.

Jobber's turn. London Stock Exchange term; the jobber's profit as represented by the difference between the price at which a jobber buys from or sells to a broker and the middle price at which he covers his bargain (that is, when he covers at the middle price, as he often does). Thus, if his prices are 99 7-8—100 1-8 and he sells to a broker at 100 1-8 and undoes or covers the bargain by buying from another jobber at 100 his turn is 1-8. But if he buys from another broker

at 99 7-8 he makes two turns. It is not often, however, that he is fortunate enough to deal between two brokers; more frequently he "takes his turn" by covering his bargain with another jobber at the middle price.

Job lot. A lot of goods, miscellaneous in kind and quality, sold cheap.

Joint account. When two or more speculators join in a transaction for their mutual benefit or risk they are in joint account.

Joint adventure. Same as joint account, but a term that is little used.

Joint and several note. A note signed by two or more parties in which it is specified that they are jointly and severally responsible for the payment of it.

Joint bond. A bond for the payment of the principal and interest on which two (or more) parties are jointly bound. Such a bond is not uncommon in railroad issues. Two railroads may jointly guarantee both principal and interest on bonds issued to acquire a third railroad which is to be owned by the first two in common.

Joint indorsement. An indorsement on a promissory note that is payable to two or more persons who are not partners.

Joint mortgage. A mortgage executed jointly by two or more parties. For additional information see Joint bond.

Joint note. A note signed by two or more parties.

Joint-stock company. A company whose capital stock is divided into shares of equal amount is a joint-stock company. For additional information see Company.

Judgment creditor. A creditor whose claim has been reduced to a judgment against his debtor.

Judgment debt. A debt found due and awarded by decision of a court.

Judgment debtor. A debtor against whom his creditor has recovered (obtained) a judgment of record—that is, a judgment which has been placed on record.

Judgment note. A promissory note coupled with a warrant of attorney authorizing the entry of a judgment without process against the maker in case of non-payment.

Jungle or jungle market. A colloquial name for the depart-

ment of the London Stock Exchange in which West African shares (stocks) are dealt in.

Junk. A colloquialism for worthless securities; same as cats and dogs.

K

Kaffir circus. A colloquial name for the group of jobbers on the London Stock Exchange who operate in South African stocks; the term also applies to the place where they congregate.

Kaffirs. London Stock Exchange name for the shares (stocks) of the South African mining, land and other companies.

Kangaroos. London Stock Exchange name for the shares (stocks) of West Australian mining, land and other companies; another name is Westralians.

Killing. A colloquialism; when a speculator has made an unusually large profit he is said to have made a killing. A killing may be made in a single stock or in the general market, that is, in several stocks. Likewise, a killing may be made in grain, cotton, coffee or any other speculative commodity.

Kilo. A term used in the grain trade as an abbreviation for kilogram. Quotations from Antwerp are per 100 kilos, equal to 3.67 bushels; quotations from Berlin are per 1,000 kilos, equal to 36.74 bushels.

Kite. A name sometimes applied to an accommodation bill (draft or acceptance). For additional information see Accommodation paper.

Kiting. Consists of incurring a fresh obligation to discharge an old one.

The commonest form of kiting is by means of checks. Example: A depositor in a bank has issued a check which overdraws his account. He makes out another check, obtains cash for it elsewhere than at the bank, and deposits the cash

in the bank in time to meet the first check. Two or three days elapse before the second check reaches the bank and before its arrival another check has been made out and the cash obtained for it and deposited. So the process continues.

A person engaged in kiting may arrange to exchange checks with another person. Thus, if he has issued a check which overdraws his account he makes out a new check and exchanges it for a check drawn by the other person on another bank, which latter check he (the first person) deposits in his own bank to meet his own first check. He may draw and exchange a third check to meet his second check; and so on.

The person engaged in kiting may gain time by sending his checks to other places—places as remote from the one in which is situated his bank as possible. The more remote the places the longer the checks are in reaching the bank upon which they are drawn for payment.

Another example of kiting: A person in New York has issued a check which overdraws his account. He draws (draws a draft) on another person in Chicago (in accordance with a previous arrangement made with this second person) and deposits the draft in his own bank to meet the check which overdraws his account. Then, he sends another check of his own to the person in Chicago upon whom he has drawn. This check is used in Chicago in meeting (paying) the draft on its arrival there. This check on arrival in New York is met with another draft; and so on.

Again, three or more persons and three or more places may be involved in a kiting operation. A in New York may draw on B in San Francisco, B in San Francisco may draw on C in St. Louis and finally C in St. Louis may draw on A in New York. Ten days or more will elapse between the time when A draws on B and the time when C's draft on A reaches New York. In the meantime A will have the use of the money obtained on his draft on B and just before the arrival in New York of C's draft on A A will have drawn a new draft; and so the process may continue.

Another form of kiting is for a person to obtain an accommodation note from another person for, say, 60 days and have it discounted at his bank. The amount is credited to the

account of the person who procures the discounting of the note and he may draw checks against it. When the note reaches maturity (becomes due) a second note may be used to take up the first.

Knocked down. A colloquialism employed at an auction sale. When the highest price obtainable for the property has been reached the auctioneer brings down his hammer or gavel and the property is said to have been knocked down, or in other words, sold at that price.

L

Lake-and-rail. Said of freight transportation partly by lake and partly by rail.

Lakh. One hundred thousand; a lakh of rupees is 100,000 rupees.

Lamb. A Wall Street name applied to one inexperienced in operations in stocks; a beginner in speculation (in other words, an outsider or countryman).

Lame duck. Wall Street term for a speculator who is temporarily unable to meet his engagements.

Land grant. A grant of land by the government. The railroads crossing the Western plains received large grants of lands from the government to aid in their construction.

Land grant bond. A bond issued under a land grant mortgage.

Land grant mortgage. A mortgage on a grant of land by the Federal or a state government under which bonds are issued.

Large bond. The name applied to a bond for a larger amount than \$1,000. Small bond is the name applied to a bond for a smaller amount than \$500. The usual amount of a bond is \$1,000.

Last board. On exchanges where there are calls of stocks and bonds or calls of grain, cotton, etc., the last call is often

designated as the last board. Also, the last printed list of sales on the New York Stock Exchange, covering the period from 2 to 3 p. m., is called the last board.

Latin Union, The. A monetary union formed by the adoption of the same currency system by Belgium, France, Greece, Italy and Switzerland. See *Moneys of the world*.

Lawful money. The term lawful money is understood to apply to every form of money endowed by law with legal tender quality; see *Legal tender*.

Law merchant. The body of commercial usages or rules recognized by civilized nations as regulating the rights of persons engaged in trade.

Laying in balance. Depositing as a security or pledge.

Lazy weight. Scant weight.

Leased line. A railroad leased to another railroad; the interest and dividends on its securities are (usually) paid by the railroad to which it is leased.

Ledger. The principal book of accounts in which all transactions of each day are entered under appropriate heads so as to show the debits and credits of each account.

Leeman's act. English term; an act of Parliament by which a seller of bank shares must at the time of sale state the numbers of the shares that he is selling. The act was passed to prevent bear sales of bank shares.

Legal debt. One that is enforceable in a court of law.

Legal holiday. A day appointed by law to be kept as a holiday.

Contracts falling due on a legal holiday are settled on the preceding day. Where two holidays occur on consecutive days contracts falling due on the second of the holidays are settled on the succeeding day.

Stocks sold on Friday on the New York Stock Exchange in the regular way (deliverable the next day) are not required to be delivered until Monday, Saturday being a half-holiday. The return of money loaned on call on Friday cannot be demanded until Monday. Time contracts falling due on Saturday are settled on Friday and those falling due on Sunday are settled on Monday (or the next business day if Monday is a holiday).

Legal minimum reserve. The minimum reserve required by law to be held by a bank against deposits. See Bank reserve.

Legal requirement. As applied to the reserve of a bank legal requirement means the amount in lawful money required by law to be held against deposits.

Legal reserve. The amount in lawful money required by law to be held against deposits.

Legal tender. The following statement concerning the legal tender properties of money of the United States is based upon United States Revised Statutes, sections 3585, 3586, 3587, 3588, 3589, 3590 and the acts amendatory thereof and additional thereto:

Gold coin, standard silver dollars, subsidiary silver, minor coins, United States notes (greenbacks) and Treasury notes of 1890 have the legal tender quality as follows: Gold coin is legal tender for its nominal value when not below the limit of tolerance in weight; when below that limit it is legal tender in proportion to its weight; standard silver dollars and Treasury notes of 1890 are legal tender for all debts, public and private, except where otherwise expressly stipulated in the contract; subsidiary silver is legal tender to the extent of \$10, minor coins to the extent of 25 cents and United States notes for all debts, public and private, except duties on imports and interest on the public debt. Gold certificates, silver certificates and national bank notes are non-legal tender money. Both kinds of certificates, however, are receivable for all public dues and national bank notes are receivable for all public dues except duties on imports and may be paid out for all public dues except interest on the public debt.

The term lawful money is understood to apply to every form of money which is endowed by law with the legal tender quality.

Following is a compilation by the Treasury Department showing what forms of money are legal tender and what forms are not legal tender:

LEGAL TENDER.

Gold coins.—The gold coins of the United States are a legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided by law for the single piece, and, when re-

duced in weight below such standard and tolerance, are a legal tender at valuation in proportion to their actual weight.

Standard silver dollars are a legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.

Subsidiary silver coin.—The silver coins of the United States of smaller denominations than one dollar are a legal tender in all sums not exceeding ten dollars, in full payment of all dues, public and private.

Minor coin (coins of copper, bronze, or copper-nickel).—Minor coins are a legal tender at their nominal value for any amount not exceeding twenty-five cents in any one payment.

United States notes (known as legal tender notes, or "greenbacks").—They are a legal tender in payment of all debts, public and private, within the United States, except duties on imports and interest on the public debt.

Demand Treasury notes authorized by the act of July 17, 1861, and the act of February 12, 1862, are lawful money and a legal tender in like manner as United States notes.

One and two-year notes of 1863.—These notes, redeemable one year from date and two years from date, bearing interest at five per centum per annum, are a legal tender for their face value, exclusive of interest.

Compound interest notes.—These notes were payable at any time after three years from date, and bearing interest not exceeding seven and three-tenths per centum, payable in lawful money at maturity, or, at the discretion of the Secretary of the Treasury, semi-annually; and such of them as should be made payable, principal and interest, at maturity, to be a legal tender to the same extent as United States notes for their face value, excluding interest.

Treasury notes of 1890 are a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and are receivable for customs, taxes, and all public dues.

Columbian half-dollars are a legal tender to the same extent as subsidiary silver coin, i. e. ten dollars in any one payment.

Columbian quarters are a legal tender to the same extent as subsidiary coin, i. e. ten dollars in any one payment.

NOT LEGAL TENDER.

Gold certificates are not a legal tender. They are receivable for customs, taxes, and all public dues.

Silver certificates are not a legal tender. They are receivable for customs, taxes, and all public dues.

National bank notes are not a legal tender. They are receivable at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except duties on imports; and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on the public debt, and in redemption of the national currency.

Trade dollars are not a legal tender. By the act of February 12, 1873,

they were a legal tender at their nominal value for any amount not exceeding five dollars in any one payment, but under date of July 22, 1876, it was enacted that the trade dollar should not thereafter be a legal tender.

Fractional currency is not a legal tender. [Note: It was receivable for postage and revenue stamps, and also in payment of any dues to the United States less than five dollars, except duties on imports].

Foreign gold coins are not a legal tender in payment of debts.

Foreign silver coins are not a legal tender in payment of debts.

Continental currency.—The question has been raised and disputed as to whether what was called the "Continental currency," issued during the War of the Revolution by the old government, was or was not legal tender. The facts appear to be that while the Continental Congress did not by any ordinance attempt to give it that character, it asked the States to do so, and all seem to have complied except Rhode Island. The Continental Congress only enacted that the man who refused to take the money should be deemed an enemy of his country.—"The National Loans," by Rafael A. Bayley, of the Treasury Department; prepared for the tenth census.

The Constitution prohibits the several states from making anything but gold and silver coin a legal tender in payment of debts.

Where a contract stipulates for payment in coin the debtor is not privileged to make payment in paper money or in any currency other than that specified in the contract.

Legal tender certificate. Same as currency certificate; for information see Currency certificate.

Legal tender note. Another name for United States note; see United States note.

Legal tender power. The power possessed by money, as confirmed by law, to discharge indebtedness.

Lending stocks. See Borrowing and lending stocks.

Letter head. The printed heading of a sheet of letter-paper; or the sheet bearing such a heading.

Letter of advice. A letter giving special information, as from a consignor to a consignee or from an agent to a principal or from drawer to drawee of a bill of exchange. The term is often abbreviated to advice.

In the foreign exchange business it is the practise for the seller of a bill of exchange to send a letter of advice to the drawee (the one upon whom the bill is drawn). This letter of advice constitutes notice to the drawee that the bill of ex-

change in question has been issued and it may contain other information or instructions.

Letter of allotment. A letter informing an applicant for securities of a new company (or new securities of an existing company) of the amount allotted to him.

Letter of credit. See Circular letter of credit; see Commercial letter of credit.

Letter of delegation. A letter conferring authority on another to collect an amount due.

For instance, a merchant in New York may have shipped goods to a merchant in Chicago. The New York merchant authorizes (delegates) a bank in New York to collect payment for the goods and confers the authority to do so in a letter of delegation, so-called, which is accompanied by the bill of lading. The bank in New York forwards the letter and bill of lading to the bank in Chicago which acts as its correspondent there and which makes the collection.

Again, a merchant in New York may have shipped goods to a merchant in London. The New York merchant authorizes (delegates) a dealer in foreign exchange in New York to collect payment for the goods and confers the authority to do so in a letter of delegation, which is accompanied by the bill of lading, policy of insurance, etc. The dealer in exchange transfers the letter with the bill of lading, etc., to his correspondent in London who makes the collection.

Letter of indication. The letter of identification given by a dealer in exchange to the purchaser of a traveler's letter of credit (circular letter of credit) or to the purchaser of circular notes. For additional information see Circular letter of credit; also see Circular note.

Letter of license. A document by which creditors agree to permit a debtor to continue business or to pay in such amounts or at such times as are therein specified.

Also see Bank act.

Letter of regret. A letter sent to a subscriber for new securities intimating that none of the amount applied for has been allotted to him.

Letter press. A press used in making copies of business letters.

Levy. A name applied in the Southern and Western states to the old Spanish real, or its equivalent, 12 1-2 cents.

Liabilities. Obligations; debts.

Liability. Responsibility for loss or damage; an obligation. For the liability of an agent (or broker) see Agent.

Liability of an acceptor. For information see Acceptance.

Liability of an indorser. For information see Indorsement.

Lien. A legal claim or hold on property as security for a debt or a charge. A mortgage is a lien.

Lienor. The holder of a lien.

Limit. A Wall Street term for an order from a client to a broker to buy for him not above a certain price or limit or to sell for him not below a certain price or limit.

Also see Stop order.

Limitation. The length of the period in which the right exists to institute legal proceedings to enforce the collection of a debt. The length of this period varies in the different states. When the period has elapsed the debt is said to have been outlawed.

Limited legal tender. Subsidiary silver coins (coins of denominations less than \$1) and minor coins (the 5-cent nickel and the 1-cent bronze) are limited legal tender. Subsidiary silver coins are legal tender only to the amount of \$10 and minor coins are legal tender only to the amount of 25 cents.

For additional information see Legal tender.

Limited liability. Corporations in certain states may employ the word "Limited" in their title, thus signifying that their stockholders are exempted from personal liability under the law. "Limited" corporations are more common in England than in the United States.

Limited liability company. One in which stockholders are individually limited in their liability for the company's debts to the amount of stock that they hold; in other words they can lose only what they have paid for their stock.

Limited order. In stocks, an order where stock is to be bought below or at a price named; or where the stock is to be sold above or at the price named.

Limited partnership. A partnership consisting of general and special partners, the general partners managing the busi-

ness and the special partners contributing capital with liability limited to the capital so contributed.

Limit to cut loss. London Stock Exchange term which means the same as the New York Exchange term stop-loss order. For additional information see Stop order.

Limping standard. This term is applied to the monetary system of a country which originally maintained the double standard, but which has suspended the free coinage of silver without definitely adopting the gold standard. France is such a country. According to its monetary laws it still is a double standard country, but the gold standard is actually in use. Its mints are now open to the free coinage of gold only and the silver in circulation instead of passing at its bullion value circulates, by reason of the restricted coinage of it, at the value of gold. It is the gold standard with a "limp."

Line. The word line is often used as a synonym for railroad. For instance, the Pennsylvania Railroad is not infrequently spoken of as the Pennsylvania line.

Also, line is sometimes used to designate a particular issue of bonds, as main line bonds, meaning bonds issued under a mortgage on the main line (of a railroad); or, branch line bonds, meaning bonds issued under a mortgage on a branch line of a railroad.

Line of deposit. The average amount in a given period to the credit of a depositor in a bank.

Line of discount. The average amount of a dealer's discounts or loans from a bank; the average amount of credit which a bank extends to a depositor.

Line of stocks (or of grain, cotton, coffee, etc). A speculator is said to have a line of stocks when he is long or short of several stocks; the term line more particularly applies when the stocks have been bought or sold short systematically, as on a scale (see On a scale); or in anticipation of an advance or decline in which all will participate simultaneously.

Likewise, a speculator is said to have a line of grain or of cotton, coffee, etc., when he has bought or sold for future delivery in various months and at varying prices.

Liquid assets. Practically the same as quick assets; assets in cash or readily convertible into cash. The assets of a bank,

for instance, are liquid assets when they are not tied up in time loans or in securities which cannot promptly be turned into money.

Liquidated damages. Damages determined as to amount either by agreement or by a judgment.

Liquidation. Settling or winding up; in speculation, closing of transactions either compulsorily or voluntarily.

Listed stocks. Stocks which have been placed on the regular list of the New York Stock Exchange and thereby admitted to dealings at the exchange. For details as to listed stocks see Admitted to dealings at the New York Stock Exchange.

Literature. A name given to circulars or pamphlets which describe an undertaking, scheme or plan; or which contain information as to an issue of bonds or stock.

LL. As printed on the tape by the stock ticker these letters mean leased line, as leased line bonds.

Lloyds. An association of English underwriters of marine insurance which also collects and distributes maritime intelligence. The corporation requires from each firm of underwriters security to meet its obligations. It issues "Lloyds' Register" and other publications compiled from the reports of its agents in various parts of the world.

Loaded up. A Wall Street term which is applied to a speculator who is carrying more stocks than is advisable.

Loan. Money lent the borrower of which pays interest on it while he has the use of it. See Call loan; also see Time loan; also see Collateral loan.

Loanable capital. Money possessed by money lenders or the money held by banks which is available to borrowers.

Loan and trust company. An incorporated banking institution empowered by its charter to accept and execute trusts as provided by law; to receive deposits of money and other personal property and issue obligations therefor and to lend money on real and personal securities. Such an institution is not permitted to issue bills to circulate as money. It cannot lend money at more than the legal rate on time and is not obliged to keep a lawful money reserve.

Loan certificate. See Clearing house loan certificate.

Loan crowd. The name applied to the gathering of brokers

on the New York Stock Exchange who desire to borrow or lend stocks. For additional information see *Borrowing and lending stocks*.

Loaned and borrowed securities. See *Borrowing and lending stocks*.

Loan-monger. A negotiator of loans; one who obtains loans for others, but is not a lender himself. The term is not in common use.

Loan society. A society organized to loan money, receiving it back in instalments with interest.

Lock-up. A colloquial banking term applied to a note or other piece of paper which has been renewed—that is, the time for payment extended beyond the original date. The term is derived from the fact that the money represented by the paper was not delivered when due but is withheld or locked up for a further period.

Logical conditions or a logical market. Logical conditions exist in a stock when the price advances in consequence of the prosperity of the company which issued it, or such conditions exist when the price declines in consequence of the lack of prosperity of the company. Or, it may be that the price advances or declines on unexpected developments in the affairs of the company or on prospective conditions affecting the company.

A logical market exists when the market as a whole moves (advances or declines) in accordance with general natural conditions.

Lombard Street. Lombard street itself is a street in London largely composed of banks, but the name Lombard Street applies to the whole of the banking centre of London. The Lombard Jews began banking in Italy in 808. Some of these Lombards afterward went to London and settled in the narrow thoroughfare which is called after them, Lombard street.

London clause. The name given to a clause inserted in a bill of lading which relieves the vessel from the payment of handling or dock charges on the cargo when landed at London and imposes such charges on the shipper.

London prices. The term London prices as generally employed in New York means the prices on the London Stock

Exchange of American stocks. For information see American stocks in London.

London quotations. A quotation on the London Stock Exchange merely means the price at which the jobber or dealer (practically a wholesaler in shares, that is, stocks) will either buy or sell, and he will do either. Thus, when a jobber quotes 99 3-4—100 1-4 it means that he will buy at 99 3-4 or will sell at 100 1-4. When in giving a quotation the middle price is named it means the price midway between the jobber's buying and selling prices. In a regular quotation 99 3-4—100 1-4 the middle price is 100.

On the New York Stock Exchange the quotations (except the bid and asked quotations) are the prices at which actual transactions took place. The bid and asked quotations are those printed by the ticker on the tape after the close of the stock exchange and while nominal are as nearly the actual prices offered for or asked for stocks as are possible to obtain. They are furnished by the specialists in the different stocks—the brokers who make a specialty of executing orders in those stocks. The bid and asked prices are the only gauge to the market value of stocks infrequently dealt in, especially those in which one or more days elapse between transactions.

Also see Quotation.

London Stock Exchange. The official title of the London Stock Exchange is "The Stock Exchange of London." It was founded toward the close of the seventeenth century.

The London Stock Exchange consists of two distinct bodies. One body comprises the shareholders or proprietors of the company which owns the building and the title "The Stock Exchange of London." The other body comprises the subscribers, who are described as members of the exchange or "house."

To the shareholders the exchange is a joint-stock undertaking from the profits of which they receive dividends the same as the shareholders of any corporation. The shareholders as shareholders have no right to enter the building, but they may become members under the same conditions as other subscribers. Very few shareholders are now non-members and while such was not formerly the case only subscribers (members) may now become shareholders in the proprietary company.

The subscribers or members of the exchange merely rent the building with the right to transact business under the title of "The Stock Exchange of London." The members are elected for one year, beginning March 25, and in order to continue as members they must be reelected each succeeding year. Members are elected (or rejected) by the governing body of the exchange which bears the title of "committee for general purposes." This committee itself is annually elected by the members. Members of the exchange on their original admission have to pay an initiation fee as well as annual dues and have to find existing members to act as surety for them. On reelection they have not to pay another initiation fee, but they continue to pay annual dues. These dues are used in payment of rental to the proprietary company and in payment of administration expenses.

There are two classes of members, jobbers (or dealers) and brokers. Members can act in either capacity, but not in the double capacity at the same time. The jobber remains in one place in the house ready to deal with any one who comes to him. The broker buys and sells for the public for a compensation, that is, a commission, whereas, the jobber makes the market and is prepared to buy from or sell to the broker, covering his bargain with a fresh purchase or sale. See Jobber.

London Stock Exchange clearing house. In a room in the exchange designated as the clearing house stock differences are settled. The purpose of the clearing house is to avoid a multiplicity of deliveries by making merely deliveries of balances.

Illustration: If a member has sold in varying amounts to several other members £25,000 of a particular stock and has purchased in varying amounts from several other members £24,000 of the same stock there is a balance of £1,000—the member has sold £1,000 more than he has bought. In other words, his sales have offset his purchases of £24,000, but there is a balance of £1,000 in sales in excess of purchases.

The member reports at the clearing house both sales and purchases in detail for the purpose of record and comparison, but it is only in the adjustment of the balance or difference that the clearing house acts. There are, of course, as many

purchases as there are sales in each stock dealt in on the exchange, so that some other member has bought £1,000 of the stock in question more than he has sold. The member who has sold £1,000 more than he has bought and the member who has bought £1,000 more than he has sold are brought together by the clearing house. The clearing house gives to the first a ticket or memorandum directing him to deliver his excess of £1,000 in sales to the second and at the same time it gives to the second a ticket directing him to receive from the first the £1,000 in order to make up his (the second member's) excess of £1,000 in purchases.

Thus, a single settlement may adjust and dispose of a number—perhaps a dozen or a score—of separate transactions. The member who sold £1,000 more than he bought may be directed to deliver £500 to a second member and £500 to a third member, but the principle involved and the outcome is the same.

Also see New York Stock Exchange clearing house.

Long. A speculator who has bought stocks is long—long of stocks; he is a bull. The opposite of this term is short and a speculator who is short of stocks is a bear.

On the London Stock Exchange it is the custom to say that a speculator is bull of stocks instead of long of stocks as is said on the New York Stock Exchange. Likewise, a speculator is said to be bear of stocks instead of short of stocks as is said on the New York exchange.

Long account. A term applied to the collective purchases of a particular stock or to collective purchases of stocks in general, which purchases are in expectation of a rise in the price of the particular stock or in the prices of stocks in general. The term also applies to corresponding purchases of grain, cotton, coffee, etc.

Long and short haul clause. The designation for a clause in the Interstate commerce law which forbids a greater charge in the aggregate for the transportation of freight for a shorter than for a longer distance by the same line in the same direction under substantially similar conditions.

Long bill. Same as long-dated bill; a bill of foreign exchange (draft) having a long time to run. A bill running for

60 days or more is usually termed a long bill or a long-dated bill.

A long bill of exchange is sold at a lower price than a short or demand bill because the buyer loses the use of his money, which is the same as saying he loses interest on his money, until the bill falls due.

Long bit. A term used in the Southern and Western states, meaning 15 cents. It is derived from the Spanish real, which used to circulate in those states and was called a bit and was worth, nominally, 12 1-2 cents.

Long-dated bill. Same as long bill; see Long bill.

Long haul. A railroad term signifying transportation (of freight) for a long distance, in contradistinction to transportation for a short distance, which is called short haul.

Also see Long and short haul clause.

Long interest. The collective speculative holding of a particular stock or of stocks in general; the opposite of short interest. The expression "The long interest in the market," for example, signifies the aggregate speculative holdings of stocks in general.

Long of exchange. When a dealer in (foreign) exchange has purchased and holds commercial or other bills exceeding in amount bills of his own which he has sold and which are outstanding he is long of exchange.

For additional information see Foreign exchange.

Long sterling. A name for a long bill of exchange payable in sterling; see Long bill.

Long-term bond. Same as long-time bond; one not maturing for a long time (or term).

Long-time bond. One not maturing for a long time.

Long ton. Same as gross ton; 2,240 pounds; a short ton is 2,000 pounds. A metric ton is 2,204.6 pounds.

Lost or stolen securities. A coupon bond payable to bearer or a stock certificate assigned in blank is good in the hands of an innocent and bona fide holder who acquires it by honest purchase at a fair market price without knowledge that it was fraudulently obtained by any previous holder even though it may have been lost by or stolen from its owner.

The recovery of a lost or stolen bond or stock certificate can rarely be accomplished unless it is found in the hands of the finder or of the thief or his accomplice or some person who has obtained possession of it by fraud or under circumstances which will convict him of knowledge or suspicion of fraud on the part of the one from whom he received it.

The fact that a lost or stolen bond or stock certificate has been advertised by its number does not invalidate the title of an innocent holder as it cannot be held that the purchaser of a bond or a stock certificate is bound to have knowledge of the advertisement.

A registered bond is without coupons and is filled in with the name of the registered owner and is payable to him or his assigns. It is not available to any other person until properly assigned or transferred by the registered owner. If a registered bond, or a stock certificate not assigned in blank is lost or stolen the owner can secure a new bond or certificate by furnishing a bond of indemnity.

Lot money. A charge made by an auctioneer for each lot of goods sold by him.

Lottery bond. A lottery bond is one of an issue made (generally by some government on the Continent of Europe) for some exceptional work, as an exhibition, bonuses being offered to subscribers in the shape of cash prizes which are drawn for periodically, the prizes going to the holders of bonds which bear numbers corresponding to those drawn.

Louis. A colloquial name for the 20-franc gold piece of France, equal to \$3.85.90; the name is derived from a gold coin of France of the seventeenth and eighteenth centuries.

L. s. d. Pounds, shillings, pence; collectively the abbreviation is used in Great Britain to signify money.

Lump sum. A gross sum covering several items.

Lying down. This is a Wall Street colloquialism. When a speculator refuses to reimburse or evades liability to his broker for losses he lies down—lies down on his broker. The same term applies to any one who refuses to make good or evades an obligation of any kind.

M

Made. The signer of a promissory note is said to have made the note.

Made and closed. A speculative term, meaning a completed transaction—buying and then selling, or the reverse, selling and then buying; the term is little used in stock dealings, but is common in dealings in grain, cotton, coffee, etc.

Made merchantable. Abbreviation, M/m.

Mailing securities. For directions seen Investment securities.

Maize. Indian corn; in the United States simply called corn. In the English market reports when maize is mentioned corn is meant. In England corn means wheat specifically, but the term is applied to wheat, barley, rye and oats collectively.

Make-down. When in order to effect a make-up (see Make-up) on the London Stock Exchange a firm opens an account for this purpose with another firm the stocks or shares concerned are said to be made down; the name for the transaction is make-down.

Maker. Designation for the signer of a negotiable instrument, as a promissory note, draft (bill of exchange) or check.

Make-up. Stocks or shares are said on the London Stock Exchange to be made up when by means of bookkeeping cross entries the purchases and sales are settled without actual passing of the securities; the name for the operation is make-up. Also see Make-down.

Making a market. A Wall Street term which means making a show of demand and activity in a stock with the object of inducing outsiders to buy.

Making a price. A stock market term; when a seller at the request of a buyer names the price at which he will sell or a buyer at the request of a seller names a price at which he will buy a price is made.

On the London Stock Exchange when a jobber (practically a wholesaler of stocks) is asked by a broker to make a price

he, not knowing whether the broker is buyer or seller, names the price at which he will buy and the price at which he will sell and the broker then deals. For instance, a broker who has £1,000 consols to sell asks a jobber to make him a price in consols; the jobber replies "96 3-4—7-8" and the broker says "Sell you £1,000," meaning that he sells the stock at 96 3-4; the jobber then seeks to undo the bargain by selling the stock to another jobber at 96 13-16, taking his "turn" of 1-16.

Making-up day. Same as *contango day* or *continuation day*; the first day of the settlement on the London Stock Exchange when settling prices are announced and when, also, the rates for carrying-over or continuing bargains (contracts) are fixed. For additional information see *Settlement, The*.

Making-up price. Settling price at the New York Stock Exchange clearing house. For information see *New York Stock Exchange clearing house*.

Making-up prices on the London Stock Exchange are prices at which stocks in which there is any speculative account are made up or continued or carried over from one settlement to another. For instance, if one operator buys £1,000 consols and does not wish to pay for the stock or sell it when the settlement comes but to continue the bargain in the expectation of a rise in the price he instructs his broker to carry the stock over for him. The broker finds either a bear or a money lender who will take in the stock on receipt of a *contango* and carries over the stock with him; that is to say, sells the stock to him for cash and buys it again for the new account, both bargains being carried out at the "making-up" price. The making-up price is thus always a single price and is not quoted double as ordinary prices are in London.

Mala fide. Not in good faith.

Manifest. A document giving the items of a vessel's cargo, with the names of consignees.

Manipulation. In stock speculation this word is applied to the operation of working stocks up or down or both ways.

A not uncommon method of manipulating a stock is by washing, which consists in buying and selling the stock at the same time. The speculator who seeks to advance a stock in price by manipulation gives to one broker an order to bid it up on a

scale (that is, after each transaction in the stock to offer to buy a certain amount of the stock at, say, 1-8 of 1 per cent above the last price). To another broker the speculator gives an order to simultaneously sell the same amount of the stock at the advancing prices. Thus, the speculator raises the price of the stock without actually acquiring any stock. If the speculator seeks to depress a stock in price the method pursued is the same. To one broker is given an order to offer the stock down (that is, after each transaction in the stock to offer to sell it at, say, 1-8 per cent below the last price). To another broker is given an order to buy the stock. These offsetting buying and selling orders which result in no accumulation of stock are known as wash or matched orders; and the process of advancing (or depressing) prices by wash or matched orders is known as marking up (or marking down) prices.

A pool may be formed in a stock to manipulate it. The contributors to the pool (mutual fund) appoint a manager of it who conducts the operations in the stock. If it is a bull pool the first step is to buy as much stock as is desired at as low prices as possible and then by means of wash transactions in the stock advance the price to a point where the stock actually held can be sold at a satisfactory profit. If it is a bear pool the first step is to sell short (sell stock not owned) to the extent desired at as high prices as possible and then by means of wash transactions in the stock depress the price to a point where the stock actually sold short can be bought back at a satisfactory profit.

Manual signature. The signature of a person in his own hand.

Manufacture. Anything made by industrial art or progress; also, figuratively, the product or result of any process, as steel.

Margin. The money deposited with a broker by a speculator in stocks or in grain, cotton, coffee, etc., to protect the broker against loss.

In stocks the margin required by a broker ranges from 5 to 20 per cent of the par (face) value according to the character of the securities. An average margin is 10 per cent, which is equal to \$1,000 on 100 shares of stock or \$10,000 of bonds.

When a stock advances or declines in price (as the case may be) to near the limit of the margin furnished the broker is privileged if the customer does not respond to a call for additional margin to sell the stock that has been bought or to buy back the stock that has been sold short. The broker is bound to give to the customer reasonable and customary notice when additional margin is required unless there is an agreement beforehand to the contrary.

Stocks or bonds bought on margin by a broker for a customer are at all times, in the absence of an express agreement to the contrary, subject to the order of the customer. The customer has the right to possession of the stocks or bonds upon payment of the purchase price and the commissions and proper expenses. In the absence of an express agreement the broker may at his option upon reasonable notice require a customer to take up, that is, pay in full for the stocks which he is carrying for the customer. If the customer is short of stocks the broker may demand that he buy back the stocks or transfer the operation to another broker.

If a speculator buys on the New York Stock Exchange 100 shares of stock at 100 on 10 per cent margin his broker receives the stock and pays \$10,000 for it to the broker from whom it was purchased. The buying broker has received \$1,000 from his customer and he advances \$9,000 to the customer, holding the stock as security for the money so advanced. On the \$9,000 he charges interest (usually 6 per cent). If the stock is sold later at 110 \$11,000 is received for it. The gross profit is \$1,000, but from this amount is deducted the broker's commission and the interest on the money advanced by the broker.

If a speculator sells a stock short he puts up margin the same as when he buys long stock—buys not in discharge of a short contract but to sell again. If the stock is sold at 100 and is bought back at 90 the speculator's profit is \$1,000, less the broker's commission. Ordinarily no interest has to be paid on stock sold short. (For explanation see Interest).

Margins usually required on commodities are: Grain, 5 cents per bushel on 5,000 bushels, \$250; lard, 1-2 cent per pound on 250 tierces (85,000 pounds), \$425; pork, \$1 per barrel on 250 barrels, \$250; short ribs, 1-2 cent per pound on

50,000 pounds, \$250; cotton, \$1 per bale on 100 bales (50,000 pounds), \$100; coffee, 1 cent per pound on 250 bags (32,500 pounds), \$325; silver bullion, 10 cents per ounce on 1,000 ounces, \$100.

For information as to deposits of margin on time contracts in stocks, grain, cotton, coffee, etc., see Mutual deposits on a contract.

Marginal credit. In exchange, particularly foreign exchange, the term marginal credit refers to a commercial letter of credit which may be drawn against within the margin of the letter, or in other words, up to the amount specified in the letter.

Such a credit is as a rule employed in a triangular operation. Example: A merchant in New York wishes to buy goods in China. He procures a letter of credit from a dealer in foreign exchange in New York which is to be honored by the correspondent in London of the dealer who issued it. Ordinarily goods purchased in China by a New York merchant are paid for in London. The New York merchant forwards the letter of credit with his order for goods to the party of whom he is to buy the goods in China. The seller of the goods in China ships the goods and draws a draft for the amount of them against the New York merchant's credit in London. To the draft is affixed the authorization to draw, the letter of credit, and likewise the bill of lading for the goods. The draft is sold in China and forwarded to London for collection the same as any other draft and in due course it is transmitted with the bill of lading to New York. Thus, the seller of the goods in China has not parted with his goods until he has obtained or made sure of payment and the New York merchant who has bought them has not paid for them (by use of his letter of credit) until the bill of lading giving title to them has been surrendered.

Marie Theresa thaler or dollar. A silver coin still struck (minted) by Austria, bearing the uniform date of 1780 and used in the trade with the Levant. It is sometimes called the Levantine thaler or dollar. It is equal to \$1.01.31.

Marine or maritime interest. Extra interest is charged because of the extra risk involved when money is advanced on a bottomry bond (a mortgage on a vessel).

Maritime loan. A loan for which a bottomry bond (a pledge of the vessel) or respondentia bond (a pledge of cargo) is given as security.

Mark. In dealings on the New York Stock Exchange four reichsmarks (marks) is counted as \$1. The actual value of four marks is 95.2 cents; the quotable equivalent of 100 in marks, therefore, 95 1-4. The value of 1 German mark is 23.82 cents.

The term mark also is applied to the X which a person who cannot write uses as a signature. For additional information see Signing by mark.

Marked check. Many concerns have a private mark which they put on their checks. This mark is known to the banks where the concerns keep their accounts and its absence from a check is sufficient reason for withholding payment until the concern by which it purports to have been drawn can be communicated with to find out whether the check is genuine. The purpose of the mark is to afford protection against forgery.

There is one disadvantage in placing a private mark on a check. If a forger finds out this mark and places it on a forged check the check is more likely to be paid by the bank than if the mark were not used.

Marked transfer. London Stock Exchange term; when a stockholder has sold only a portion of the stock represented by a certificate held by him the certificate and a transfer deed (assignment) are lodged with the company, which issues a fresh certificate to him for the amount unsold and indorses the transfer to the effect that it is good for the remaining amount of stock; then, the transfer is said to be certified or marked and the act of certifying or marking is called certification.

Market. A market is a place where dealings are conducted, as dealings in stocks or in grain, cotton or coffee, etc.

The expression "the market," is commonly employed as a general designation for the business, whether on an exchange or not, in stocks or commodities, as the market is strong or active or weak or dull.

The lending of money is not concentrated in one place; it is in the hands of many persons with whom negotiations are conducted in person by borrowers or through brokers at the in-

dividual places of business of the lenders, and yet it is the practise to speak of the money market as a collective affair.

On the London Stock Exchange the jobbers who deal in a particular stock or a particular group of stocks constitute the market in that stock or group of stocks; likewise, the place where they congregate is called the market in that stock or group of stocks. Accordingly, there are many markets on the London Stock Exchange. The place where American stocks are dealt in is called the American market; the place where South African mining shares are dealt in is called the Kaffir market; and so on.

Market difference. A change in the market price after a stock has been bought or sold short, necessitating the providing of more margin (or perhaps permitting the withdrawal of margin in part or in whole).

For information as to deposits of margin required to cover market differences on time contracts in stocks, grain, cotton, coffee, etc., see Mutual deposits on a contract.

Marketing. Selling.

Market money. Money that is offering in the market—money that may be borrowed.

Market price. The actual current price.

On the London Stock Exchange the market price of a stock is a double-price—the price at which a jobber (practically a wholesaler of stocks) will sell and the price at which he will buy, and he will do either.

Market value. In stocks the amount which a stock or bond will bring on an exchange or in the open market.

Marking bargains. London Stock Exchange term; jobbers or brokers on the exchange drop into a box tickets containing prices at which business was done by them between the hours of 11 a. m. and 3 p. m. and this is called marking bargains. These prices are inserted in the Stock Exchange Daily Official List under the heading "Business done."

Marking up or marking down loans. Said when lenders increase (mark up) or reduce (mark down) the rates on call loans. When a call loan is marked up the borrower renews it at the new rate. When a loan is marked down it is continued at the new rate.

Marking up or marking down prices. A not uncommon

method of manipulating a stock is by washing, which consists in buying and selling the stock at the same time. The speculator who seeks to advance a stock in price by manipulation gives to one broker an order to bid it up on a scale (that is, after each transaction in the stock to offer to buy a certain amount of the stock at, say, 1-8 of 1 per cent above the last price). To another broker the speculator gives an order to simultaneously sell the same amount of the stock at the advancing prices. Thus, the speculator raises the price of the stock without actually acquiring any stock. If the speculator seeks to depress a stock in price the method pursued is the same. To one broker is given an order to offer the stock down (that is, after each transaction in the stock to offer to sell it at, say, 1-8 per cent below the last price). To another broker is given an order to buy the stock. These offsetting buying and selling orders which result in no accumulation of stock are known as wash or matched orders; and the process of advancing (or depressing) prices by wash or matched orders is known as marking up (or marking down) prices.

MAT. As printed on the tape by the stock ticker these letters mean matured, as matured bonds (bonds the principal of which is due and interest on which has ceased).

Matched order. A Wall Street term, meaning an order to buy and sell the same stock; such an order is employed for the purpose of artificially raising or lowering the price.

Matthew Marshall. Prior to January 1, 1855, the Bank of England notes bore a promise to "pay Matthew Marshall or bearer"; since that date the notes have borne a promise to "pay to bearer on demand."

Matured. As applied to an obligation matured means that the obligation has become due and is payable. When a bond has matured the principal is due and interest on it ceases.

Maturity. The time fixed for the payment of a promissory note or of a bill (draft). The term is used particularly with reference to foreign bills of exchange. When it is said that maturities in a certain month are large it is meant that a large number of bills mature or fall due in that month.

An obligation is said to have reached maturity when it has become due and payable.

Maundy money. Silver fourpenny, threepenny, twopenny

and penny pieces specially struck (minted) each year in Great Britain for distribution as alms by the sovereign on Maundy Thursday—the day before Good Friday. These coins never pass into circulation but are gathered up by numismatists.

Melon. See Cutting a melon.

Memorandum. A brief written summary or outline of the terms of a transaction.

Also see On memorandum.

Memorandum check. When a bank sends through the clearing house a check payable by another bank and it is rejected by that bank because there are no funds on deposit with which to meet it or for some other reason the second bank returns it by messenger to the first bank. The first bank having been credited with it and the second bank having been debited with it at the clearing house the first bank must pay the amount of it to the second bank. It accordingly delivers the amount of it in money to the second bank's messenger if the check is small; if the amount is large it issues to the second bank a memorandum check which the second bank sends through the clearing house the next day for collection.

Memorandum of association. London term used in connection with the incorporation of companies; it means the charter of the company, which defines its powers and states its objects. The Secretary's Manual on the Law and Practice of Joint-Stock Companies quotes a statement by Lord Justice Bowen which thus distinguishes the Memorandum and Articles of Association: "The Memorandum contains the fundamental conditions upon which alone the company is allowed to be incorporated. They are conditions introduced for the benefit of the creditors and the outside public as well as shareholders. The Articles are the internal regulations of the company."

Mercantile. Pertaining to the business of buying and selling merchandise; commercial.

Mercantile account. A statement of transactions between a merchant and his customer.

Mercantile agency. Same as commercial agency; a concern which with the cooperation of merchants, manufacturers, bankers and others ascertains, records and makes known to its patrons or subscribers the financial standing, general busi-

ness reputation and credit ratings of individuals, firms and corporations engaged in mercantile and industrial enterprises.

In addition it compiles reports on the state of trade and on commercial and financial operations generally, including records of failures, judgments, etc.

Mercantile law. The law of commercial contracts and the usages or customs of business.

Mercantile paper. Promissory notes given by merchants for merchandise purchased or drafts drawn against purchasers of merchandise. The term commercial paper includes mercantile paper. For complete information see Commercial paper.

Merchandise. Anything movable that is customarily bought and sold for profit.

Merchandise note. A promissory note issued in payment for merchandise.

Merchandising. Mercantile business; buying and selling goods.

Merchant bar. Iron in the common bar form convenient for the market.

Merger company. A company formed for the purpose of acquiring other companies—that is, it issues its own stock in exchange for the stocks of other companies and thus merges the other companies in itself.

Metallic standard. Exists when the basis of value is gold or silver, or gold and silver together at an established ratio.

For additional information see Monetary standard.

Metric ton. One-thousand kilograms, or 2,204.6 pounds. A gross or long ton is 2,240 pounds; a short ton is 2,000 pounds.

Mexican dollar. The actual name is peso. Its weight is 417.8 grains .902.7 fine. At the coining rate of the United States silver dollar it is worth \$1.01.59; its nominal or ostensible value in gold is 98.39 cents. Its actual value outside of Mexico depends on the commercial (market) price of silver.

Middleman. One who conducts negotiations between seller and buyer; also, one who buys in bulk and sells in smaller lots; a jobber.

Middle price. London Stock Exchange term, meaning the

price midway between the price at which a jobber (dealer) will sell and the price at which he will buy. Thus, in a quotation 99 3-4—100 1-4 the middle price is 100.

Mileage. Means length or distance in miles.

The road mileage of a railroad is the length in miles of the railroad itself.

Track mileage is the length in miles of the tracks of the railroad, each mile of double track being counted as two miles; side tracks and switching tracks also being counted and included in the mileage. Track miles means the same as track mileage.

Train mileage is the number of miles traversed by a particular train; or the number of miles, collectively, traversed by all trains of a railroad. The result attained by adding together the number of miles traversed by all trains and dividing by the number of trains shows the average number of miles traversed by each train. Train miles means the same as train mileage.

Car mileage is the number of miles traversed by a particular car; or, again, it is the number of miles, collectively, traversed by all cars. The result attained by adding together the number of miles traversed by all cars and dividing by the number of cars shows the average number of miles traversed by each car. Car miles means the same as car mileage.

Ton mileage is the number of miles the whole number of tons was hauled. The average number of miles each ton was hauled (transported) is ascertained by adding together the number of miles each ton was hauled and then dividing by the number of tons. Ton miles means the same as ton mileage.

Passenger mileage means the number of miles, collectively, traveled by all passengers. The number of miles traveled by all passengers divided by the number of passengers shows the average number of miles traveled by each passenger. Passenger miles means the same as passenger mileage.

Milking. In Wall Street parlance milking the street or milking the market is the manipulation of stocks by a clique for their profit and to the loss of others to whom they sell or from whom they buy. Milking the public is the manipulation of stocks by a clique for their profit and to the loss of the public.

Mille. One thousand. Therefore, per mille means per thousand. A premium of 1 per mille is 1 on 1,000, which is

equal to 1-10 of 1 per cent. For instance, if the Bank of France charges a premium of 1 per mille for gold the premium is 1 franc on every 1,000 francs of gold.

Milling. The name applied to the corrugated edge of gold and silver coins which was devised to prevent the reduction of coins by cutting off the rims.

Mining stocks. These stocks are usually quoted in dollars and cents instead of in percentages.

Minor coins. Five-cent nickel—weight, 77.16 grains, 75 per cent copper and 25 per cent nickel; thickness, .062 inch; diameter, .8 inch. One cent bronze—weight, 48 grains, 95 per cent copper and 5 per cent tin and zinc; thickness, .043 inch; diameter, .75 inch.

Minor coins are issued according to the needs of the country and are redeemable at the Treasury in sums of \$20 and multiples thereof.

Mint. A place where the coin of a country is coined (manufactured) and from which it is issued by governmental authority.

Mintage. The duty or charge paid for coining; also, the seigniorage or profit in coining.

Mint check. A check on the United States Treasury drawn by a mint and given in payment for gold deposited in the mint.

Mint-mark. A private mark of a mint placed on coins to identify the place of manufacture. Coins minted in the Philadelphia mint bear no special mark. Those minted at Carson City, Nev., are marked C.C.; those at Dahlonega, Ga., D.; those at New Orleans, O.; those at San Francisco, S.

Mint-master. The master or superintendent of a mint.

Mint par. The equivalent unit (monetary unit) of one country expressed in the terms of the currency of another country which uses the same metal as a standard of value. Thus, \$1 in United States gold money is 4.11 shillings or 4 shillings 1 1-3 pence in English gold money, or 5 francs 18 centimes in French gold money, or 4 reichsmarks (marks) 20 pfennigs in German gold money, or 2 guilders (florins) 40 cents in Netherlands (Holland) gold money, and so on.

Mint remedy. Same as tolerance; the extent to which coins may be abraded (reduced in weight by abrasion) or otherwise

worn and still be redeemable at the Treasury at their face value.

The law says that any gold coins of the United States reduced in weight by natural abrasion not more than 1-2 of 1 per cent after a circulation of twenty years, as shown by the date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States Treasury.

The tolerance on silver and base-metal coins is unlimited; the Treasury will receive them at their face value until abrasion or wear has obliterated the inscriptions on them.

The term mint remedy or tolerance also applies to the allowance for a slight difference in the fineness of gold or silver from the government standard. In gold the limit of difference above or below is one-thousandth; in silver it is three-thousandths.

Mutilated coins, either gold, silver, nickel or bronze, are worth only their bullion value, or in other words, are worth only the commercial value of the metal of which they are composed.

Mint tie. The equivalent of the metallic money of one country in that of another country; mint par; for additional information see Mint par.

Minute book. A book in which are kept the details of the proceedings at meetings of the stockholders or the board of directors of a stock company or of a committee of the board of directors.

Miscellaneous assets. Assets of various kinds.

Miscellaneous securities. Those issued by corporations which, unlike railroad companies and industrial (manufacturing) companies, have no special classification.

Mississippi Company. In 1718 John Law, a financial adventurer, the son of a goldsmith in Edinburgh, Scotland, created in Paris, with the consent and concurrence of the regent of France (Duc D'Orleans), the Company of the West, to which was granted the vast territory in the valley of the Mississippi in North America which bore the name of Louisiana. In this company also were vested the privileges and possessions of all foreign trading companies, the control of the French mint, the handling of the king's revenues and the

management of the Royal Bank. Subsequently the company assumed the title of Company of the Indies on its acquisition of the exclusive rights of the East India Company in addition to its other prerogatives. The company was always commonly known as the Mississippi Company; it derived this name from the fact that through the province of Louisiana which was granted to it flowed the great Mississippi River.

A wild speculation took place in the stock of the company. The shares, which were of the par or face value of 500 livres (about \$100) each, sold in September, 1719, as high as 10,000 livres (about \$2,000) each. In the middle of the following year the whole scheme collapsed and John Law, who held the office of Comptroller General of the Finances of the Empire, fled from France.

Mistake. When personal property (as stocks, or bonds) is by mistake offered for sale at a lower price than was intended and the offer is accepted by one who knows or has good reason to believe that it was a mistake the sale is not binding upon the seller.

Mixed loan. A loan secured by collateral of different character, as railroad and industrial stocks, instead of railroad stocks alone or industrial stocks alone.

ML. As printed on the tape by the stock ticker these letters mean main line, as main line bonds.

M/m. Made merchantable.

Mock auction. Said when the auctioneer employs confederates to bid against genuine bidders so as to raise prices.

Monetary. Pertaining to money or finance; consisting of money; financial; pecuniary; as monetary convention, monetary union, etc.

Monetary events. Following is a summary of monetary events of the world, beginning with 1786, as compiled by the Bureau of the Mint in the Treasury Department of the United States:

1786.—Establishment of the double standard in the United States with a ratio of 1 to 15.25; that is, on the basis of 123.134 grains of fine gold for the half-eagle or \$5 piece, and 375.64 grains of fine silver for the dollar, without any actual coinage.

1792.—Adoption of the ratio of 1 to 15 and establishment of a mint

with free and gratuitous coinage in the United States; the silver dollar equal to $371\frac{1}{4}$ grains fine, the eagle to $247\frac{1}{2}$ grains fine.

1803.—Establishment of the double standard in France on the basis of the ratio of 1 to $15\frac{1}{2}$, notwithstanding the fact that the market ratio was then about 1 to 15.

1810.—Introduction of the silver standard in Russia on the basis of the ruble of 17.99 grains of fine silver, followed in 1871 by the coinage of imperials or gold pieces of 5 rubles, of 5.998 grams, therefore with a ratio of 1 to 15. This ratio was changed by the increase of the imperial to 5 rubles 15 copecks, and later to 1 to 15.45.

1815.—Great depreciation of paper money in England, reaching $26\frac{1}{2}$ per cent in May. Course of gold, £5 6s., and of silver $71\frac{1}{2}$ d. per ounce standard. In December the loss was only 6 per cent. Gold at this period was quoted at £4 3s., and silver at 64d.

1816.—Abolition of the double standard in England, which had had as its basis the ratio of 1 to 15.21, and adoption of the gold standard on the basis of the pound sterling at 7.322 grams fine in weight. Coinage of divisional money at the rate of 66d. per ounce. Extreme prices £4 2s. for gold and 64d. for silver in January; £3 18s. 6d. and $59\frac{1}{4}$ d. in December.

1816.—Substitution for the ratio of 1 to 15.5 in Holland, established by a rather confused coinage, of the ratio of 1 to $15\frac{3}{4}$.

1819.—Abolition of forced currency in England. Price of gold £3 17s. $10\frac{1}{2}$ d. and of silver 62d. per ounce in October, against £4 1s. 6d. and 67d. in February.

Note.—The price of silver given hereafter represents the average rate per ounce standard—that is, the mean between the highest and the lowest price quoted during the year.

1832.—Introduction of the monetary system of France in Belgium with a decree providing for the coinage of pieces of 20 and 40 francs, which, however, were not stamped. Silver, $59\frac{3}{4}$ d.

1834.—Substitution of the ratio of 1 to 16 for that of 1 to 15 in the United States by reducing the weight of the eagle, \$10 gold piece, from 270 grains to 258 grains.

1835.—Introduction of the company rupee, a piece of silver weighing 165 grains fine, in India, in place of the sicca rupee. Creation of a trade coin—the mohur, or piece of 15 rupees—containing 165 grains of fine gold. Silver, 59 11-16d.

1837.—Fineness of United States gold coins raised from 0.899225 to 0.900, and silver coins from 0.8924 to 0.900, giving a ratio of 1 to 15.088 and fixing the standard weight of the silver dollar at $412\frac{1}{2}$ grains. Silver, 59 15-16d.

1844.—Introduction of the double standard in Turkey, with the ratio of 1 to 15.10. Silver, $59\frac{1}{2}$ d.

1847.—Abolition of the double standard in Holland by the introduction of the silver standard on the basis of a 1-florin piece, 0.945 gram fine the coinage of which had already been decreed in 1839. Silver 59 11-16d.

1848.—Discovery of the gold mines of California.

1848.—Coinage in Belgium of pieces of 10 and 25 francs in gold, a shade too light. These pieces were demonetized and withdrawn from circulation in 1884. Silver, 59½d.

1848.—Replacing the ratio of 1 to 16 in Spain, which had been in force since 1786, by that of 1 to 15.77.

1850.—Introduction of the French monetary system in Switzerland, without any actual coinage of gold pieces. Silver, 60 1-16d.

1851.—Discovery of the gold mines of Australia.

1853.—Lowering of the weight of silver pieces of less value than \$1 to the extent of 7 per cent in the United States and limitations of their legal-tender power to \$5. Silver, 61½d.

1853.—Maximum of the production of gold reached in California when it amounted to \$65,000,000.

1854.—Introduction of the gold standard in Portugal on the basis of the crown of 16.257 grams fine. Before this period the country had the silver standard, with a rather large circulation of gold coins stamped on the basis of 1 to 15½ in 1835 and 1 to 16½ in 1847. Silver, 61½d.

1854.—Modification of the ratio of 1 to 15.77 in Spain by raising it to 1 to 15.48, and by lowering the piaster from 23.49 grams to 23.36 grams fine.

1854.—Introduction of the silver standard as it existed in the mother country, in Java, in place of the ideal Javanese money and coinage of colonial silver pieces.

1857.—Conclusion of a monetary treaty between Austria and the German states, in accordance with which 1 pound of fine silver (one-half a kilogram) was stamped into 30 thalers or 52½ florins of south Germany, or 45 Austrian florins, resulting in 1 thaler equaling 1¾ German florins or 1½ Austrian florins. Silver, 61¾d.

1861.—Law decreeing the coinage of gold pieces of 10 and 20 francs exactly equal to French coins of the same denomination in Belgium. Silver, 61¾d.

1862.—Adoption of the French monetary system by Italy. Silver, 61 7-16d.

1865.—Formation of the Latin Union between France, Belgium, Switzerland, and Italy on the basis of a ratio of 1 to 15½. Silver, 61 1-16d.

1867.—First international monetary conference held in Paris.

1868.—Adoption of the French monetary system by Roumania, with the exclusion of the 5-franc silver piece, which was, however, stamped in 1881 and 1883. Silver, 60½d.

1868.—Admission of Greece into the Latin Union. The definite and universal introduction of the French monetary system into the country was effected only in 1883.

1868.—Adoption of the French monetary system, with the peseta or franc as the unit, by Spain. The coinage of alphonsoes d'or of 25 pesetas was made only in 1876.

1871.—Replacing of the silver standard in Germany by the gold standard. Coinage in 1873 of gold pieces of 5, 10, and 20 mark pieces, the latter weighing 7.168 grams fine. Silver, 60½d.

1871.—Establishment of the double standard in Japan with the ratio of 1 to 16.17 by the coinage of the gold yen of 1.667 grams and of the silver yen of 26.956 grams, both with a fineness of 0.900.

1873.—Increase of the intrinsic value of the subsidiary coins of the United States. Replacing of the double standard by the gold standard. Reduction of the cost of coinage of gold to one-fifth per cent, the total abolition of which charge was decreed in 1875. Creation of a trade dollar of 420 grains with a fineness of 0.900. Silver, 59¼d.

1873.—Suspension of the coinage of 5-franc pieces in Belgium.

1873.—Limitation of the coinage of 5 francs on individual account in France.

1873.—Suspension of the coinage of silver in Holland.

1873.—Formation of the Scandinavian Monetary Union. Replacing of the silver standard in Denmark, Sweden, and Norway by that of gold on the basis of the krone. Coinage of pieces of 10 and 20 kroner, the latter weighing 8.961 grams, with a fineness of 0.900.

1874.—Introduction of the system of contingents for the coinage of 5-franc silver pieces in the Latin Union. Silver, 58 5-16d.

1875.—Suspension of the coinage of silver on individual account in Italy. Silver, 56½d.

1875.—Suspension of the coinage of silver on account of the Dutch colonies.

1875.—Introduction of the double standard in Holland on the basis of the ratio of 1 to 15.62 by the creation of a gold piece of 10 florins, weighing 5.048 grams fine, with the maintenance of the suspension of the coinage of silver.

1876.—Great fluctuations in the price of silver, which declined to 46¾d., representing the ratio of 1 to 20.172, in July. Recovery, in December, to 58½d. Average price, 52¾d.

1877.—Coinage of 5-franc silver pieces by Spain continued later, notwithstanding the decline of silver in the market. Silver, 54¾d.

1877.—Replacing of the double standard in Finland by that of gold on the basis of the mark or franc.

1878.—Act of United States Congress providing for the purchase, from time to time, of silver bullion, at the market price thereof, of not less than \$2,000,000 worth per month as a minimum, nor more than \$4,000,000 worth per month as a maximum, and its coinage as fast as purchased into silver dollars of 412½ grains. The coinage of silver on private account prohibited. Silver, 52 9-16d.

1878.—Meeting of the second international monetary conference in Paris. Prolongation of the Latin Union to January 1, 1886.

1879.—Suspension of the sales of silver by Germany. Silver, 51¼d.

1879.—Resumption of specie payment by the United States.

1881.—Third international monetary conference in Paris. Silver, 51 11-16d.

1885.—Introduction of the double standard in Egypt. Silver, 48¾d.

1885.—Prolongation of the Latin Union to January 1, 1891.

1886.—Great decline in the price of silver, which fell in August to 42d., representing a ratio of 1 to 22.5, and recovery, in December, to 46d. Modification of the coinage of gold and silver pieces in Russia. Silver, 45 $\frac{3}{8}$ d.

1887.—Retirement of the trade dollars by the Government of the United States in February. Demonetization of the Spanish piasters, known as Ferdinand Carolus, whose reimbursement at the rate of 5 pesetas ended on March 11. New decline of silver in March to 44d., representing the ratio of 1 to 21.43. Silver, 44 $\frac{5}{8}$ d.

1890.—United States—Repeal of the act of February 28, 1878, commonly known as the Bland-Allison law, and substitution of authority for purchase of 4,500,000 fine ounces of silver each month, to be paid for by issue of Treasury notes payable in coin. (Act of July 14, 1890). Demonetization of 25,000,000 lei in pieces of 5 lei in Roumania in consequence of the introduction of the gold standard by the law of October 27. Silver, 47 11-16d.

1891.—Introduction of the French monetary system in Tunis on the basis of the gold standard. Coinage of national gold coins and billon. Silver, 45 1-16d.

1892.—Replacing of the silver standard in Austria-Hungary by that of gold by the law of August 2. Coinage of pieces of 20 crowns, containing 6.098 grams fine. The crown equals one-half florin. Meeting of the fourth international monetary conference at Brussels. Production of gold reaches its maximum, varying between 675,000,000 and 734,000,000 francs. Silver, 39 13-16d.

1893.—Suspension of the coinage of silver in British India and of French trade dollars on individual account. Panic in the silver market in July in London, when the price fell to 30 $\frac{1}{2}$ d., representing the ratio of 1 to 30.92. Repeal of the purchasing clause of the act of July 15, 1890, by the Congress of the United States.

1895.—Adoption of the gold standard by Chile.

1895.—Russia decides to coin 100,000,000 gold rubles in 1896.

1896.—Costa Rica adopts the gold standard.

1896.—Russia decides to resume specie payments.

1897.—Adoption of the gold standard by Russia and Japan.

1897.—Peru suspends the coinage of silver and prohibits its importation.

1898.—Ecuador limited the tender of silver coins to the amount of 10 sucres.

1899.—India adopted the gold standard at the rate of 15 rupees to 1 pound sterling (British standard).

1900.—United States adopted the gold standard.

Monetary standard. The standard of value established by law as the basis for the money of a country.

By a long process of evolution or natural selection gold and silver have been left in possession of the field to the exclusion of everything else and now all the monetary systems

of the world are based on one or the other or both together. Gold, however, is rapidly becoming the universal standard in law as it has been in fact for many years.

Great Britain first adopted the gold standard (1816), One by one the nations have fallen into line, the United States as recently as 1900, leaving the Latin Union as the most important representative of the double standard system, while the use of silver as the standard is practically confined to the Far East and to Mexico and some parts of Central and South America.

The bimetallic system in its unrestricted form has proved a failure owing to the wide variation in value between gold and silver and no nation any longer undertakes to coin both gold and silver in unlimited quantities. The countries which still retain nominally the double standard place severe restrictions on the use of silver and mint it only on government account, while gold is coined as freely as it is offered.

Thus, gold has become practically the standard of the world, for not only do the double standard countries restrict the use of silver for the purpose of keeping their silver money at a parity with gold, but the silver standard countries in all international transactions are forced to use gold as the basis of exchange.

The value of a gold coin depends on the amount of pure gold it contains; therefore, governments in establishing their monetary standard and monetary unit declare by law the weight and quality of the coin in which values are to be measured. Thus, in the United States, where gold is the standard and the dollar the unit, it is enacted that a gold dollar shall contain 23.2 grains of pure gold and 2.6 grains of alloy, making the weight of the dollar 25.8 grains of standard gold—gold .900 fine. In Great Britain the unit is the sovereign or pound sterling and contains 113 grains of pure gold and 10.27 grains of alloy, making the standard of fineness .916 2-3 instead of .900 as in the United States and most other gold-using countries.

For additional information see *Moneys of the world*.

Monetary unit. The unit of measure of the value of the money of a country. The gold dollar is the monetary unit of the United States; the pound sterling in gold is the mone-

tary unit of Great Britain. Also see Monetary standard; also see Moneys of the world.

Money. A standard of value and medium of payment established by law.

In the United States the term money means gold, silver, nickel and bronze coins, gold certificates, silver certificates, Treasury notes (issued for the purchase of silver bullion under the so-called Sherman act), United States notes (greenbacks) and National bank notes (issued by national banks). Other synonymous terms are cash and currency.

The most important attribute of any form of money is its legal tender power, by which is meant the power conferred by law to discharge a debt payable in money. Gold alone possesses by virtue of commercial usage the unlimited legal tender quality throughout the civilized world. The value, that is, the purchasing power, of gold is the same throughout the world.

Money must be something the worth of which all persons concerned in its use recognize. Hence, it must be a commodity which there is a common desire to obtain.

The use of gold and silver as money is as old as history, but cattle, tobacco, animals, skins, iron, wheat, rice, beads—in fact, nearly everything which people want and recognize the value of by general consensus of opinion has been used for the purpose. As civilization has grown and trading has become complicated everything but gold and silver has gradually dropped into disuse because gold and silver are more convenient.

So, also, as between gold and silver gold has gradually come to be the metal which all peoples agree upon and accept as the measure of value for other things, for even in silver-using countries all dealings with the outside world are based on gold valuations.

Originally, gold and silver passed according to weight and fineness, but the inconvenience of constant weighing and testing led to the device of stamping a certification of weight and quality on small pieces which could pass from hand to hand. To prevent fraud governments gradually assumed to themselves the function of thus stamping or manufacturing coins and all that coinage of money means is that the metal has been

tested, weighed and stamped or certified by government authority. The metal so stamped is no more valuable than before except in so far as it may be more acceptable to the receiver for reasons of convenience.

On the other hand, in international transactions or any transaction involving large amounts the weighing process is more convenient than the counting of the individual pieces and is commonly resorted to, the certification or stamp being accepted as to quality.

Thus, the original principle as to money is recognized the world over every day as to gold money and in silver standard countries as to silver money. At the same time all nations make use of representative money in addition to real money. Real money is the actual gold or silver, as the case may be, in which values are measured. Representative money is a promise to pay real money on demand and is used either for convenience in handling or for augmenting the supply.

A Bank of England note or a United States gold or silver certificate is merely a convenience, a receipt for real money which is held in reserve to guarantee the fulfilment of the promise to pay. A United States note or a bank note is a promise to pay based on credit and is accepted as a substitute for real money only so long as confidence exists that the promise will be kept, or in other words, so long as the credit of the issuer remains good. A silver dollar is a mixture of the two forms. It is real money to the extent that the silver from which it is coined has value and it is representative money to the extent that confidence in the ability and good faith of the government to maintain it on a parity with gold causes it to be acceptable beyond its silver value. Minor coinage is in the same class.

An important attribute of money is its power, confirmed by law, to discharge debt. This is known as the legal tender power. In the original currency act of April 2, 1792, all gold and silver coins issued by the United States were made "a lawful tender in all payments whatsoever." It was soon found that the large amount of foreign coins in circulation provided a constant source of dispute in the settlement of debts and Congress was compelled from time to time to pass laws establishing the legal status of those coins and con-

ferring upon them specific legal tender qualities. In 1857 "all former acts authorizing the currency of foreign gold or silver coins and declaring the same a legal tender in payment for debts" were repealed. In 1853 the full legal tender quality of fractional silver coins was taken away and from that time until the outbreak of the Civil War only full weight gold and silver coins were an unlimited legal tender, the circulating notes of state banks never being able to enjoy the privilege under the Constitution.

In 1862 Congress took a radical departure by authorizing the issue of United States notes which should "be lawful money and a legal tender in payment of all debts public and private within the United States" except duties on imports and interest on the public debt. The object of this clause was, of course, to keep the notes at par with gold, but it never accomplished that result. Not until 1879 when the credit of the government was fully reestablished by the resumption of specie payments did United States notes pass currently at par.

By the law of 1878 silver dollars were restricted in their legal tender quality when expressly so stipulated in the contract; otherwise they are unlimited legal tender. Treasury notes of 1890 are also unlimited legal tender unless otherwise contracted. Gold certificates, silver certificates and bank notes are not a tender. Fractional silver coins and minor coins are a tender up to \$10 and 25 cents, respectively.

It will thus be seen that gold is the only money of absolutely unlimited legal tender power in the United States. The same may be said of gold in connection with international transactions, for, while no country can pass laws binding on another country, universal consensus of opinion accepts gold in payment of all obligations.

Also see *Moneys of the world*.

For the use of the word money in speculative operations see *For cash*.

Money article. A name given to the article in a newspaper that treats of the money market and the other financial markets, including the market for stocks and bonds; a more comprehensive name and the one more often used is *financial article*. For additional information see *Financial article*.

Money-bags. A colloquial name for a rich man.

Money broker. A dealer in coin and paper money and in foreign money; also one who borrows and lends money for others.

The regular commission of a money broker for negotiating a time loan (a loan for a specified time) is $\frac{1}{32}$ of 1 per cent of the amount borrowed or \$31.25 on \$100,000. The commission is paid by the borrower.

A money broker receives nothing from the borrower or the lender for effecting a call loan. The reason is that a call loan may continue for a day only. The broker expects the free negotiation of call loans to bring business to him when the borrower on call becomes a borrower on time.

Money in circulation. This term includes not only the money actually in circulation or in the possession of individuals, but also the money held in banks as reserve against deposits.

Money market. This is a term applied to the business of lending money and not to a place where money is loaned, for there is no specific place (in New York) for lending money.

In New York the banks, trust companies and insurance companies are the chief lenders of money, but there are other corporations and not a few firms and individuals who are lenders. As in every other market supply and demand are the factors which determine prices, or in other words, the rates exacted for the use of money. If the demand is large and the supply small rates are high; if the demand is small and the supply large rates are low.

Money is stiff when it commands high rates of interest. It is tight when it is difficult to obtain even at high rates; in these circumstances there is a pinch or stringency in money. There is a squeeze in money when it cannot be borrowed except at exorbitant rates; in a squeeze a premium as well as interest is exacted on call loans. A premium of 1-8 per cent a day and interest (at the rate of 6 per cent), figuring on the customary basis of 365 days in a year, means a rate equal to 52 per cent a year.

Money of account. The money in which people keep their accounts—in which they reckon their transactions. It has been described as the money in which people do their thinking.

Money rates. Means the rates of interest at which money is lending. There are different rates for call money (money loaned on call—that is, returnable on the demand of the lender) and time money (money loaned on time—that is, loaned for a specified period). The rates for call money are usually lower than those for time money. For additional information see Call loan; also see Time loan.

Money scrivener. Formerly a name applied to a person who changed money at a prescribed rate.

Moneys of the world. In the appended table are given in alphabetical order in the first column the monetary designations of the various countries of the world; in the second column opposite each designation is given the name of the country where the designation is employed; in the third column is given the equivalent in another monetary designation of the same country; in the fourth column is given the nominal equivalent in United States money, and in the fifth and last column is given the nominal equivalent in the money of Great Britain.

Gold is the fixed and unalterable basis of values the world over. The United States and Great Britain are single gold standard countries. Therefore, the equivalents in the moneys of the United States and Great Britain are actual for the moneys of other countries which have the single gold standard and really adhere to it. So are the equivalents actual for the moneys of countries which have the double standard and really maintain their silver money at its legal ratio with their gold money.

But the equivalents are nominal and not actual for the moneys of countries which have the gold standard and do not really adhere to it; and the equivalents also are nominal and not actual for the moneys of the countries which have the double standard and do not really maintain their silver money at its legal ratio with their gold money.

So, too, the equivalents are nominal and not actual for the moneys of countries which have the single silver standard. Moneys that are based on silver are depreciated; such moneys, also, are fluctuating in value, for the reason that silver is a commodity and has no fixed natural value like gold moneys, or moneys based on gold.

Designation.	Country.	Equivalent Designation.	Equivalent in United States money.	Equivalent in money of Great Britain.
			\$ cts. 1/2 s. d.	
Abassi	Persia	4 chais.....	03.40	01.07
Alexander	Bulgaria	20 levs.....	3 85.90	15 10.32
Alphonse	Spain	25 pesetas.....	4 82.38	19 09.89
Anna	India (British)	4 pice.....	02.02	01.00
Argentine	Argentina	5 pesos.....	4 82.38	19 09.89
At	Siam	2 lots.....	01.82	00.89
Bani	Roumania	1-100 lei.....	00.19	00.09
Bat	Siam	See Tical.....		
Bia	Siam	See Cowry.....		
Bolivar	Venezuela	20 centavos.....	19.29	09.51
Boliviano	Bolivia	100 centavos.....	96.47	3 11.57
Candareen (or fun or fen)...	China	10 cash.....	01.00	00.49
Cash (or li or zin)	China	1-10 candareen..	00.10	00.05
Cash	Korea	1-100 liang.....	00.09	00.04
Cent	Canada	1-100 dollar.....	01.00	00.49
Cent	Liberia	1-100 dollar.....	01.00	00.49
Cent	Newfoundland	1-100 dollar.....	01.01	00.50
Cent	Santo Domingo..	1-100 dollar.....	01.00	00.49
Cent	United States....	1-100 dollar.....	01.00	00.49
Centavo	Argentina	1-100 peso.....	00.96	00.47
Centavo	Bolivia	1-100 boliviano..	00.96	00.47
Centavo	Chile	1-100 peso.....	00.36	00.17
Centavo	Colombia	1-100 peso.....	00.96	00.47
Centavo	Ecuador	1-100 sucre.....	00.96	00.47
Centavo	Mexico	1-100 peso.....	00.98	00.48
Centavo	Paraguay	1-100 peso.....	00.96	00.47
Centavo	Peru	1-100 sol.....	00.96	00.47
Centavo	Uruguay	1-100 peso.....	00.96	00.47
Centavo	Venezuela	1-100 venezolano.	00.96	00.47
Centesimo	Italy	1-100 lira.....	00.19	00.09
Centime	Belgium	1-100 franc.....	00.19	00.09
Centime	France	1-100 franc.....	00.19	00.09
Centime	Haiti	1-100 gourde....	00.96	00.47
Centime	Switzerland	1-100 franc.....	00.19	00.09
Centimo	Costa Rica.....	1-100 colon.....	00.46	00.22
Centimo	Guatemala	1-100 peso.....	00.96	00.47
Centimo	Honduras	1-100 peso.....	00.96	00.47
Centimo	Nicaragua	1-100 peso.....	00.96	00.47
Centimo	Salvador	1-100 peso.....	00.96	00.47
Centimo	Spain	1-100 peseta....	00.19	00.09
Chai (or pul)...	Persia	¼ abassi.....	00.85	00.42
Colon	Costa Rica	100 centimos....	46.53	1 10.95
Condor	Chile	20 pesos.....	7 29.98	1 10 00.00
Condor	Colombia	10 pesos.....	0 64.76	1 10 08.67
Copeck	Russia	1-100 ruble.....	00.51	00.25
Cowry (or bia)...	Siam	1-100 lot.....	.000	.0044
Crown	Austria-Hungary	100 heller.....	20.26	09.99
Crown	Denmark	100 ore.....	26.79	1 01.21
Crown	Germany	10 marks.....	2 38.21	9 09.48
Crown	Great Britain	5 shillings.....	1 21.66	5 00.00
Crown	Norway	100 ore.....	26.79	1 01.21
Crown	Portugal	10 milreis.....	10 80.46	2 04 04.85

Designation.	Country.	Equivalent Designation.	Equivalent in United States money.	Equivalent in money of Great Britain.
			\$ cts.	£ s. d.
Crown	Sweden	100 ore.....	26.79	1 01.21
Decimo	Colombia	10 centavos.....	09.64	04.75
Dime	Guatemala	10 centimos.....	09.64	04.75
Dime	Honduras	10 centimos.....	09.64	04.75
Dime	Nicaragua	10 centimos.....	09.64	04.75
Dime	Salvador	10 centimos.....	09.64	04.75
Dime	United States....	10 cents.....	10.00	04.93
Dinar	Servia	100 paras.....	19.29	09.51
Dinero	Peru	10 centavos.....	09.64	04.75
Dollar	Canada	100 cents.....	1 00.00	4 01.31
Dollar	Liberia	100 cents.....	1 00.00	4 01.31
Dollar	Newfoundland ..	100 cents.....	1 01.38	4 02.00
Dollar	Santo Domingo..	100 cents.....	1 00.00	4 01.31
Dollar	United States....	100 cents.....	1 00.00	4 01.31
Doubloon	Chile	10 pesos.....	3 64.99	15 00.00
Doubloon	Guatemala	See Onza.....		
Doubloon	Honduras	See Onza.....		
Doubloon	Nicaragua	See Onza.....		
Doubloon	Salvador	See Onza.....		
Doubloon Isabella	Spain	26 pesetas.....	5 01.67	1 00 07.41
Drachma	Greece	100 lepta.....	19.29	09.51
Ducat	Austria-Hungary	(Trade money) .	2 28.78	9 04.83
Eagle	United States....	10 dollars.....	10 00.00	2 01 01.16
Escudo	Chile	5 pesos.....	1 82.49	7 06.00
Farthing	Great Britain....	¼ penny.....	00.50	00.25
Fen	China	See Candareen..		
Florin	Austria-Hungary	100 kreutzers....	40.52	1 07.98
Florin	Great Britain....	2 shillings.....	48.66	2 00.00
Florin (or guild- er)	Netherlands	100 cents.....	40.19	19.82
Franc	Belgium	100 centimes....	19.29	09.51
Franc	France	100 centimes....	19.29	09.51
Franc	Switzerland	100 centimes....	19.29	09.51
Fuang	Siam	2 song peis.....	07.27	03.55
Fun	China	See Candareen..		
Gourde	Haiti	100 centimes....	96.47	3 11.57
Guilder	Netherlands	See Florin.....		
Guinea	Great Britain....	21 shillings.....	5 10.98	1 01 00.00
Heller	Austria-Hungary	1-100 crown.....	00.20	00.09
Imperial	Russia	15 rubles.....	7 71.85	1 11 08.59
Kopeck	Russia	See Copeck.....		
Kran (or sahib- ghiran)	Persia	20 shahis.....	17.04	08.40
Kreutzer	Austria-Hungary	1-100 florin.....	00.40	00.19
Krone	Same as crown..	See Crown.....		
Lei	Roumania	100 bani.....	19.29	09.51
Lepton	Greece	1-100 drachma....	00.19	00.09
Lev	Bulgaria	100 stotinki....	19.29	09.51
Levantine thaler.	Austria-Hungary	See Marie The- resa thaler....		
Li	China	See Cash.....		
Liang	China	See Tael.....		
Liang	Korea	100 cash.....	09.96	04.91

Designation.	Country.	Equivalent Designation.	Equivalent in United States money.	Equivalent in money of Great Britain.
Libra	Peru	10 soles.....	\$ cts. 4 86.65	£ s. d. 1 00 00.00
Lira	Italy	100 centesimi....	19.29	09.51
Lira (or pound or medjidie)...	Turkey	100 piasters.....	4 39.64	18 00.80
Lot	Siam	½ at.....	00.90	00.44
Louis	France	20 francs.....	3 85.90	15 10.32
Mace (or tsien)...	China	10 candareen....	10.00	04.93
Mahbub	Tripoli	20 piasters Turkish	87.92	3 07.36
Marie Theresa (or Levantine) thaler	Austria-Hungary	(Trade money) ..	1 01.31	4 01.96
Mark	Germany	100 pfennigs....	23.82	11.74
Markkaa	Finland	100 penni.....	19.29	09.51
Medio real.....	Ecuador	5 centavos.....	04.87	02.37
Medjidie	Turkey	See Lira		
Milrei	Brazil	1,000 reis.....	54.63	2 02.93
Milrei	Portugal	1,000 reis.....	1 08.04	4 05.28
Mohur	India (British)...	15 rupees.....	4 86.65	1 00 00.00
Napoleon	France	20 francs.....	3 85.90	15 10.32
Ochr-el-guerche	Egypt	1-10 piaster.....	00.49	00.24
Onza (or doubloon)	Guatemala		15 73.89	3 04 08.24
Onza (or doubloon)	Honduras		15 73.89	3 04 08.24
Onza (or doubloon)	Nicaragua		15 73.89	3 04 08.24
Onza (or doubloon)	Salvador		15 73.89	3 04 08.24
Onza (or doubloon)	Spain		15 73.89	3 04 08.24
Ore	Denmark	1-100 crown....	00.26	00.12
Ore	Norway	1-100 crown....	00.26	00.12
Ore	Sweden	1-100 crown....	00.26	00.12
Para	Servia	1-100 dinar.....	00.19	00.09
Para	Turkey	1-40 piaster....	00.01	00.05
Penebat	Persia	10 shahis.....	08.52	04.20
Penni	Finland	1-100 markkaa..	00.19	00.09
Penny	Great Britain...	4 farthings.....	02.02	01.00
Peseta	Ecuador	20 centavos....	09.73	04.86
Peseta	Spain	100 centimos....	19.29	09.51
Peso	Argentina	100 centavos....	96.47	3 11.57
Peso	Chile	100 centavos....	36.49	1 06.00
Peso	Colombia	100 centavos....	96.47	3 11.57
Peso	Guatemala	100 centimos....	96.47	3 11.57
Peso	Honduras	100 centimos....	96.47	3 11.57
Peso	Mexico	100 centavos....	98.39	4 00.52
Peso	Nicaragua	100 centimos....	96.47	3 11.57
Peso	Paraguay	100 centavos....	96.47	3 11.57
Peso	Salvador	100 centimos....	96.47	3 11.57
Peso	Uruguay	100 centavos....	1 03.42	4 03.00
Peso	Venezuela	See Venezolano.		
Pfennig	Germany	1-100 mark.....	00.23	00.11

Designation.	Country.	Equivalent Designation.	Equivalent in United States money.	Equivalent in money of Great Britain.
			\$ cts.	£ s. d.
Piaster	Egypt	10 ochr-el-guerche	00.49	00.24
Piaster	Turkey	1-100 lira	04.39	02.16
Pice	India (British) ..	3 pie	00.50	00.24
Pie	India (British) ..	1-3 pice	00.16	00.08
Pound	Egypt	100 piasters	4 94.30	1 00 03.77
Pound	Great Britain	20 shillings	4 86.65	1 00 00.00
Pound	Turkey	See Lira		
Pul	Persia	See Chai		
Quadruple (or onza)	Spain		15 73.89	3 04 08.24
Real	Ecuador	10 centavos	09.64	04.75
Real	Paraguay		12.05	05.94
Real	Spain		12.05	05.94
Rei	Brazil	1-1,000 milrei ..	1.0054	.0027
Rei	Portugal	1-1,000 milrei ..	00.01	.005
Reichsmark	Same as mark ..	See Mark		
Rin	Japan	1-10 sen .....	.049	.024
Rixdaler	Netherlands	2½ florins	1 00.48	4 01.55
Ruble	Russia	100 copecks	51.45	2 01.37
Rupee	India	16 annas	32.44	1 04.00
Sahibghiran	Persia	See Kran		
Salung	Siam	2 fuango	14.54	1 07.11
Sen	Japan	1-100 yen	00.49	00.24
Shahi	Persia	1-20 kran	00.85	00.42
Shilling	Great Britain	12 pence	24.33	1 00.00
Sol	Peru	100 centavos	96.47	3 11.78
Song peis	Siam	2 ats	03.63	01.78
Sou	France	5 centimes	00.96	00.47
Sovereign	Great Britain	1 pound, or 20 shillings	4 86.65	1 00 00.00
Stiver	Netherlands	1-20 florin	02.09	00.99
Stotinki	Bulgaria	1-100 lev	00.19	00.09
Sucre	Ecuador	100 centavos	96.47	3 11.57
Tael (or liang) ..	China	10 mace	1 00.00	4 01.31
Tamling	Siam	4 ticals	2 32.72	9 05.78
Thaler	Germany	3 marks	71.46	2 11.24
Tical (or bat) ..	Siam	4 salungo	58.18	2 04.44
Toman	Persia	10 kran (50 abas-si)	1 70.40	6 08.40
Tsien	China	See Mace		
Venezolano (or peso)	Venezuela	100 centavos	96.17	3 11.57
Yen	Japan	100 sen	49.84	2 00.58
Zin	China	See Cash		

The following tables show the equivalents of the units of gold-using countries in each other:

EQUIVALENTS IN GOLD UNITS.

	Egypt. Pound.	Great Britain. Pound. Pence.	Turkey. Pound.	Portugal. Milrei.
Egypt	1.000000	1.015721	243.773	1.124395
Great Britain...	.9845219	1.000000	240.000	1.106992
Turkey .....	.8893669	.9033491	216.804	1.000000
Portugal .....	.2185826	.2220191	53.285	0.2457733
Uruguay .....	.2092301	.2125195	51.005	.2352574
United States...	.2023033	.2054838	49.316	.2274689
Argentina .....	.1951748	.1982433	47.578	.2194537
Brazil .....	.1104913	.1122284	26.935	.1242359
Russia .....	.1040834	.1057198	25.373	.1170309
Japan .....	.1008493	.1024257	24.582	.1133844
Netherlands ....	.0813176	.0825961	19.823	.0914332
Chile .....	.0738391	.0749999	18.000	.0830243
India (British)..	.0656348	.0666667	16.000	.0737995
Scandinav'n Un.	.0542152	.0550676	13.216	.0609594
Germany .....	.0481912	.0489489	11.748	.0541860
Austria-Hung'y	.0409920	.0416365	9.993	.0460912
Latin Union....	.0390350	.0396487	9.516	.0438907

	Uruguay. Peso.	United States. Dollar.	Argentina. Peso.	Brazil. Milrei.	Russia. Ruble.
Egypt	4.779427	4.943073	5.123611	9.050485	9.607676
Great Britain...	4.705450	4.866563	5.044307	8.910401	9.458968
Turkey	4.250664	4.396206	4.556770	8.049202	8.544750
Portugal	1.044700	1.080470	1.119932	1.978279	2.100071
Uruguay	1.000000	1.034240	1.072014	1.893634	2.010215
United States...	0.9668939	1.000000	1.036524	1.830943	1.943665
Argentina .....	.9328239	0.9647634	1.000000	1.766427	1.875177
Brazil .....	.5280851	.5401666	0.5661145	1.000000	1.061565
Russia .....	.4974592	.5144920	.5332831	0.9420056	1.000000
Japan .....	.4819590	.4984611	.5166667	.9126539	0.9688413
Netherlands ....	.3886517	.4019590	.4166400	.7359641	.7812736
Chile .....	.3529085	.3649920	.3783228	.6682795	.7094220
India (British)..	.3136967	.3244376	.3362872	.5940267	.6305978
Scandinav'n Un.	.2591177	.2679898	.2777778	.4906742	.5208824
Germany .....	.2303265	.2382128	.2469132	.4361541	.4630059
Austria-Hung'y	.1959183	.2026265	.2100271	.3709975	.3938379
Latin Union....	.1865648	.1929527	.2000000	.3532854	.3750353

Continued on next page.

EQUIVALENTS IN GOLD UNITS.

Continued from preceding page.

	Japan. Yen.	Netherlands Guilder or Florin.	Chile. Peso.	India, (British). Rupee.	Annas.
Egypt	9.916666	12.29745	13.54296	15.23582	243.773
Great Britain...	9.763175	12.10711	13.33334	15.00000	240.000
Turkey	8.819555	10.93695	12.04466	13.55024	216.804
Portugal	2.167611	2.688010	2.960256	3.330286	53.285
Uruguay	2.074865	2.572998	2.833596	3.187793	51.005
United States...	2.006174	2.487816	2.739786	3.082257	49.316
Argentina	1.935484	2.400154	2.643246	2.973649	47.578
Brazil	1.095706	1.358762	1.496380	1.683426	26.935
Russia	1.032161	1.279961	1.409598	1.585797	25.373
Japan	1.000000	1.240079	1.3656769	1.536385	24.582
Netherlands ...	0.8064000	1.000000	1.101282	1.238941	19.823
Chile	0.7322376	0.9080328	1.000000	1.124999	18.000
India (British).	0.6508784	0.8071409	0.8888895	1.000000	16.000
Scandinav'n Un.	0.5376344	0.6667094	0.7342349	0.8260136	13.216
Germany	0.4778965	0.5926296	0.6526522	0.7342332	11.748
Austria-Hung'y	0.4065041	0.5040973	0.5551532	0.6245469	9.993
Latin Union....	0.3870968	0.4800307	0.5286491	0.5947298	9.516

	Scandina- vian Union. Crown.	Germany. Mark.	Austria- Hungary. Crown.	Latin Union. Franc.
Egypt	18.44500	20.75066	24.39500	25.61806
Great Britain.....	18.15951	20.42948	24.01741	25.22154
Turkey	16.40437	18.45495	21.66611	22.78385
Portugal	4.031757	4.535733	5.332323	5.599662
Uruguay	3.859250	4.341662	5.104169	5.360069
United States.....	3.731485	4.197927	4.935189	5.182618
Argentina	3.600000	4.050006	4.761290	5.000000
Brazil	2.038012	2.292767	2.695436	2.830573
Russia	1.919819	2.159800	2.539116	2.666415
Japan	1.860000	2.092503	2.460000	2.583333
Netherlands	1.499904	1.687395	1.983744	2.083200
Chile	1.361062	1.532210	1.801305	1.891614
India (British).....	1.210634	1.361965	1.601161	1.681436
Scandinavian Union.....	1.000000	1.125002	1.322581	1.388889
Germany	0.8888875	1.000000	1.175625	1.234566
Austria-Hungary	0.7560976	0.8506111	1.000000	1.050136
Latin Union.....	0.7200000	0.8100012	0.9522581	1.000000

Following are the monetary standards (or standards of value) and monetary units of the various countries of the world:

Country.	Standard.	Monetary unit.
Argentina	Gold	Peso
Austria-Hungary	Gold	Crown
Belgium	Gold	Franc
Bolivia	Silver	Boliviano
Brazil	Gold	Milrei
British Possessions in North Amer- ica (except Newfoundland).....	Gold	Dollar
Bulgaria	Gold	Lev

Country.	Standard.	Monetary unit.
Central American States:		
Costa Rica.....	Gold	Colon
British Honduras.....	Gold	Dollar
Guatemala		
Honduras	Silver	Peso
Nicaragua		
Salvador		
Chile	Gold	Peso
		Amoy
		Canton
		Chefoo
		Chin Kiang
		Fuchau
		Haikwan
		(Customs)
China	Silver	Tael
		Hankow
		Hongkong
		Niuchwang
		Ningpo
		Shanghai
		Swatow
		Takau
		Tientsin
Colombia	Silver	Peso
Cuba	Gold	Peso
Denmark	Gold	Crown
Ecuador	Gold	Sucre
Egypt	Gold	Pound (100 piasters)
Finland	Gold	Markkaa
France	Gold	Franc
Germany	Gold	Mark
Great Britain.....	Gold	Pound sterling
Greece	Gold	Drachnia
Haiti	Gold	Gourde
India (British).....	Gold	Pound sterling
Italy	Gold	Lira
Japan	Gold	Yen
Korea	Silver	Liang
Liberia	Gold	Dollar
Mexico	Silver	Peso
Netherlands	Gold	Florin
Newfoundland	Gold	Dollar
Norway	Gold	Crown
Paraguay	Silver	Peso
Persia	Silver	Kran
Peru	Silver	Sol
Portugal	Gold	Milrei
Roumania	Gold	Lei
Russia	Gold	Ruble
Servia	Gold	Dinar
Siam	Silver	Tical
Spain	Gold	Peseta
Sweden	Gold	Crown
Switzerland	Gold	Franc
Turkey	Gold	Piaster
United States	Gold	Dollar
Uruguay	Gold	Peso
Venezuela	Gold	Bolivar

Following is a description of the monetary systems of the world. The calculations as to the values of the different moneys are, with few exceptions, those of the Bureau of the Mint in the Treasury Department of the United States, and where the compilation of the Bureau of the Mint has been supplemented the same basis of calculation was employed. In the calculations the gram is taken at 15.43235639 grains. The other facts as to the various monetary systems likewise are largely from the compilation of the Bureau of the Mint.

ARGENTINA.

While formally adopting the double standard the Argentine law of 1881 restricted the coinage and use of silver as legal tender and the metallic standard may therefore be said to be gold. The actual currency is depreciated paper, which fluctuates greatly in value. Gold is quoted at so much premium; for instance, 180 premium means \$280 paper to \$100 gold. Gold coins are full legal tender. Silver coins are legal tender only to the amount of 10 pesos and bronze coins to the amount of 1 peso.

The weight, fineness, etc., of the coins of Argentina are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine Weight	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Argentine	8.0645	900	7.2580	124.4542	112.0088	\$4.8238
Half argentine	4.0322	900	3.6290	62.2271	56.0044	2.4119

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	25.0000	900	22.5000	385.8080	347.2280	\$0.9352
50 centavos	12.5000	900	11.2500	192.9044	173.6140	.4676
20 centavos	5.0000	900	4.5000	77.1617	69.4456	.1870
10 centavos	2.5000	900	2.2500	38.5808	34.7228	.0935
5 centavos	1.2500	900	1.1250	19.2904	17.3614	.0467

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
20 centavos...	4.0000	75 per cent cop- per, 25 per cent nickel.	61.7294	To the amount of 1 peso.	\$0.1929
10 centavos...	3.0000		46.2970		.0064
5 centavos....	2.0000		30.8647		.0482
Bronze.		95 per cent cop- per, 4 per cen tin, and 1 per cent zinc.			
2 centavos....	10.0000		154.3235		.0192
1 centavo....	5.0000		77.1617		.0096

AUSTRIA-HUNGARY.

The new monetary system of Austria-Hungary is gold monometallic; the gold crown of 100 hellers (farthings) is the monetary unit. The new currency consists of gold, silver, nickel and bronze coins. The gold coins provided for are the 20-crown piece and the 10-crown piece. Besides these gold coins there are to be coined as heretofore, as trade coins, Austrian gold ducats.

The new silver coin is the 1-crown piece. The ratio of gold to subsidiary silver in the new system is 1 to 13.69. Silver is coined only on account of the state. Silver coins are unlimited legal tender to the state at their nominal value; to private parties to the amount of 50 crowns. The Levantine or Maria Theresa silver thalers continue to be stamped as trade coins.

The coins of the new system, multiplied by two, are of the same value as the pieces of the old silver and paper currency, 1 silver or paper florin being equal to 2 crowns and 1 kreutzer to 2 hellers.

The weight, fineness, etc., of the coins of Austria-Hungary are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20-crown piece.....	6.7750	900	6.0975	104.5552	94.0997	\$4.0525
10-crown piece.....	3.3875	900	3.0487	52.2776	47.0498	2.0262
4 ducats.....	13.9636	986 $\frac{1}{2}$	13.7696	215.4912	212.4983	9.1515
1 ducat.....	3.4909	986 $\frac{1}{2}$	3.4424	53.8728	53.1245	2.2878

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5-crown piece.....	24.0000	900	21.6000	370.3765	333.3388	\$0.8978
1-crown piece.....	5.0000	835	4.1750	77.1617	64.4300	.1735
Maria Theresa thaler (Levantine)	28.0668	833 $\frac{1}{2}$	23.3890	433.1368	360.9473	.9722
2 florins.....	24.6914	900	22.2222	381.0462	342.9416	.9237
1 florin.....	12.3457	900	11.1111	190.5231	171.4708	.4618
Quarter florin.....	5.3419	520	2.7777	82.4381	42.8678	.1154
20 kreutzers.....	2.6666	500	1.3333	41.1529	20.5704	.0554
10 kreutzers.....	1.6666	400	.6666	26.7205	10.2882	.0277

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.					
20 hellers....	<i>Grams.</i> 4.0000	Pure nickel.....	<i>Grains.</i> 61.7294	To the amount of 10 crowns.	\$0.0405 .0202
10 hellers....	3.0000		46.2970		
Bronze.					
2 hellers.....	3.3333	95 per cent cop- per, 4 per cent tin, and 1 per cent zinc.	51.4411	On public account 10 crowns and pri- vate ac- count 1 crown.	.0040 .0020
1 heller.....	1.6666		25.7205		

BELGIUM.

For general information as to the money of Belgium see Latin Union, The.

The weight, fineness, etc., of the coins of Belgium are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
100 francs.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
50 francs.....	16.1290	900	14.5161	248.9089	224.0180	9.6476
20 francs.....	6.4516	900	5.8064	99.5635	89.6072	3.8590
10 francs.....	3.2258	900	2.9032	49.7817	44.8036	1.9295
5 francs.....	1.6129	900	1.4516	24.8908	22.4018	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 francs.....	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
2 francs.....	10.0000	835	8.3500	154.3235	128.8601	.3470
1 franc.....	5.0000	835	4.1750	77.1617	64.4300	.1735
50 centimes.....	2.5000	835	2.0875	38.5808	32.2150	.0867
20 centimes.....	1.0000	835	0.8350	15.4323	12.8860	.0347

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
20 centimes..	7.0000	75 per cent cop- per and 25 per cent nickel.	108.0264	To the amount of 5 francs.	\$0.0385
10 centimes..	4.5000		69.4456		.0192
5 centimes..	3.0000		46.2970		.0096
Copper.					
2 centimes...	4.0000	Pure copper.....	61.7204	To the amount of 2 francs.	.0038
1 centime....	2.0000		30.8647		.0019

BOLIVIA.

Bolivia has the single silver standard and the money of account is the boliviano or silver peso. The real monetary unit is the 20-centavo piece and all transactions are conducted on that basis. The banks redeem their notes in no other coin and exchange on Europe is based on it.

The weight, fineness, etc., of the silver coins of Bolivia are as follows:

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Boliviano	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
50 centavos.....	12.5000	900	11.2500	192.9044	173.6140	.4676
20 centavos.....	4.5000	900	4.0500	69.4456	62.5010	.1683
10 centavos.....	2.2500	900	2.0250	34.7228	31.2505	.0841
5 centavos.....	1.1250	900	1.0125	17.3614	15.6252	.0420

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
10 centavos....	5.0000	75 per cent copper and 25 per cent nickel.	77.1617	.....	\$0.0964
5 centavos....	2.5000		38.5808	.....	.0482
Bronze.					
1 centavo....	10.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	154.3235	.....	.0096
Half centavo.	5.0000		77.1617	.....	.0048

BRAZIL.

Brazil has the gold standard. At the mint par between Brazil and England 1 milrei equals 26.93 pence, which makes the piece of 20 milreis worth £2 4s. 10d. The silver money is not legal tender beyond 20 milreis. The republic sanctioned large issues of paper money by banks, in consequence of which the milrei constantly fluctuates. *One thousand milreis is called a conto; 1,000 contos a conto de contos.

The weight, fineness, etc., of the coins of Brazil are as follows:

GOLD.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure gold contained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 milreis.....	17.9296	917	16.4415	276.6973	253.7314	\$10.9273
10 milreis.....	8.9648	917	8.2207	138.3486	126.8657	5.4636
5 milreis.....	4.4824	917	4.1103	69.1743	63.4328	2.7318

SILVER.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure silver contained.	Value compared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
2 milreis.....	25.5000	917	23.3835	393.5250	360.8625	\$0.9720
Milrei	12.7500	917	11.6917	196.7625	180.4312	.4860
500 reis.....	6.3750	917	5.8458	98.3812	90.2156	.2430

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
200 reis.....	15.0000	75 per cent copper, 25 per cent nickel.	231.4853	To the amount of 1 milrei.	\$0.1002
100 reis.....	10.0000		154.3235		.0546
50 reis.....	7.0000		108.0261		.0273
Bronze.					
40 reis.....	12.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	185.1882	To the amount of 200 reis.	.0218
20 reis.....	7.0000		108.0261		.0109
10 reis.....	3.5000		54.0132		.0054

BULGARIA.

Bulgaria has the double standard. The silver coins are the same as those of France. Foreign gold coins have been officially rated as follows:

	Levs.		Levs.
Sovereign	20.00	Old imperial.....	20.50
20 German marks.....	24.50	Turkish pound.....	22.70
20 francs.....	20.00	Austrian ducat.....	11.60

The weight, fineness, etc., of the coins of Bulgaria are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Alexander (20 levs) ..	6.4516	900	5.8064	99.5635	89.6071	\$3.8590

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 levs.....	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
2 levs.....	10.0000	835	8.3500	154.3235	128.8601	.3470
1 lev.....	5.0000	835	4.1750	77.1617	64.4300	.1735
Half lev.....	2.5000	835	2.0875	38.5808	32.2150	.0867

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.					
	<i>Grams.</i>		<i>Grains.</i>		
20 stotinki...	5.0000		77.1617		\$0.0385
10 stotinki...	4.0000		61.7294		.0102
5 stotinki...	3.0000		46.2970		.0006
2½ stotinki..	2.0000		30.8647		.0048

CANADA.

The Dominion of Canada has the gold standard, based upon the legal value of the pound sterling, equal to \$4.86.65, or \$1 equal to 49.16 pence. The country has no gold coin of its own; silver is legal tender to the amount of \$10 and bronze coins to the amount of 25 cents.

The value of the English coins in circulation has been officially fixed as follows: Crown or 5 shillings, \$1.20; one-half crown or 2 1-2 shillings, \$0.60; florin or 2 shillings, \$0.48; shilling, \$0.24; one-half shilling, \$0.12.

The weight, fineness, etc., of the silver coins of Canada are as follows:

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
50-cent pieces.....	11.6200	925	10.7485	179.3239	165.8746	\$0.4468
25-cent pieces.....	5.8100	925	5.3742	89.6619	82.9373	.2234
10-cent pieces.....	2.3240	925	2.1497	35.8647	33.1749	.0893
5-cent pieces.....	1.1620	925	1.0748	17.9323	16.5874	.0446

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.					
British half-penny	<i>Grams.</i> 5.6699	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	<i>Grains.</i> 87.5000	To the amount of 1 shilling or 25 cents.	\$0.0101

Also see Newfoundland.

CHILE.

Chile has the gold standard and the monetary unit is the gold peso, although no provision is made for the minting of this coin. The condor is worth 20 pesos, the doubloon 10 and the escudo 5. The English and Australian pound sterling have legal circulation in Chile at the rate of 13 1-3 pesos. Gold is full legal tender. Silver is legal tender to the amount of 50 pesos between individuals, but full legal tender to the government. The mint is required to exchange gold for silver pesos tendered to it for that purpose.

The weight, fineness, etc., of the coins of Chile are as follows:

GOLD.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure gold contained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Condor	11.9820	916 $\frac{2}{3}$	10.9835	184.9115	169.5022	\$7.2998
Doubloon	5.9910	916 $\frac{2}{3}$	5.4917	92.4557	84.7511	3.6499
Escudo	2.9955	916 $\frac{2}{3}$	2.7458	46.2278	42.3755	1.8249
Peso (not coined)....	.5991	916 $\frac{2}{3}$	.5491	9.2455	8.4751	.3649

SILVER.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure silver contained.	Value compared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	20	835	16.7000	308.6471	257.7203	\$0.6941
20 centavos.....	4	835	3.3400	61.7294	51.5440	.1388
10 centavos.....	2	835	1.6700	30.8647	25.7720	.0694
5 centavos.....	1	835	.8350	15.4323	12.8860	.0347

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Copper.					
2 centavos....	<i>Grams.</i> 7.0000	95 per cent copper and 5 per cent nickel.	<i>Grains.</i> 108.0264	.....	\$0.0072
1 centavo.....	5.0000		77.1617	.....	.0036
1/2 centavo....	3.0000		46.2070	.....	.0018

CHINA.

The money of account in China is as follows: 10 cash or li, 1 candareen; 10 candareens or fun or fen, 1 mace; 10 mace or tsien, 1 tael or liang. The smallest piece of money, the cash or li (called also zin and by the Dutch pitjes), is represented by an actual coin, whereas the candareen, the mace and the tael are simply designations for weights of silver. The cash or li is made from an alloy of copper, iron and tin. It is a circular bit of metal seven-eighths of an inch in diameter with a square hole in the middle around which are impressed on the obverse Chinese characters, stating the reign, etc.; on the reverse Mantchu characters stating the name of the mint. Originally it represented one-thousandth part of a tael and nominally it continues to do so, but it long since ceased to keep up a corresponding actual metallic value.

The monetary unit is the tael. The Canton tael in Shanghai is a quantity of silver of the fineness of the Mexican dollar (about 0.89.8), and weighing a tael, which would make 1 money tael equal \$1.39.37 and \$100 equal 71.7517 money taels. At Shanghai foreign accounts are kept and the quotations are given in taels. Generally, when converting taels into dollars, \$100 are taken to equal 71.7 taels or 1 tael equals \$1.39.5. Besides the Canton tael weight (37.573 grams) there is the haikwan tael or government tael, which weighs 590.35 grains (38.246 grams) or 2 per cent more than the Canton tael (100 Canton taels equal 98 haikwan taels). At Shanghai there is another tael weight about 2 1-2 per cent lighter than the Canton weight, 36.56 grams (564.20 grains troy). It is used as weight for gold.

There are several local taels at the various ports in China differing greatly in value as compared with the haikwan or government tael. The following are the approximate values at the treaty ports:

Ports.	Local taels.	Haikwan taels.	Ports.	Local Taels.	Haikwan-taels.
Amoy	101.75	100	Ningpo	105.83	100
Chefoo	106.40	100	Pakhoi	110.57	100
Chinkiang	104.16	100	Shanghai	111.40	100
Foochow	110.00	100	Swatow	110.15	100
Hankow	108.75	100	Takow	101.11	100
Hoihow	113.76	100	Tamsui	111.32	100
Ichang	109.65	100	Tientsin	105.00	100
Kiukiang	104.37	100	Wenchow	103.00	100
Newchwang	108.50	100	Wuhu	101.16	100

In large native transactions ingots of silver are used. These are called shoes from their resemblance to a shoe in shape. They range in weight from a half tael to 100 taels. The Shanghai currency consists of such shoes of silver of about 50 taels weight each. These ingots are rendered current by the hong koo, who assays the metal and affixes to each ingot assayed by him a stamp recording its touch or degree of purity. The hong koo is not an official appointed by the Chinese government, but derives his authority from an arrangement with the native bankers. According to the stamp affixed by him on each shoe the compradores (native commission

merchants and intermediaries for foreign business houses) add from 0 up to 3 taels Shanghai weight per 50 taels of actual weight. This addition thus ranges from 0 for silver of the hong koo's standard up to 6 per cent for pure silver of 100 toques or touch. [The Chinese report the fineness of the precious metals by dividing the weight into 100 parts, called toques or touch—98 touch means, accordingly, that the gold or silver ingot, etc., contains 98 parts of pure metal and 2 parts of alloy]. A further addition of 2 per cent is made in conformity with a custom of long standing.

The so-called haikwan (i. e., customs) sycee (sycee silver), which is produced at the customs bank by melting and refining the Mexican, Spanish and other foreign dollars received in payment of duties, commands a premium over the dollar currency ranging from 3 to 10 per cent, according to the supply and demand of the two commodities. By the Chinese this silver is called wan-yin (fine silver), but in foreign commerce it is known as sycee, which is the colloquial pronunciation of the Chinese words se-sze, meaning "fine silk," and implying accordingly that the silver is so pure that it might be drawn out to the finest silken thread wire. Sycee silver means, therefore, "purest silver."

In exchange on London, at sight and four months' sight, Shanghai receives 3s. 10d. for 1 tael; Paris, sight and four months' sight, 4.90 francs for 1 tael; Germany, four months' sight, 3.95 marks for 1 tael, and Bombay and Calcutta, demand, 315 rupees for 100 taels; and gives New York, four months' sight, 105 taels for \$100; Hongkong, telegraphic transfers and three days' sight, 27 per cent discount, i. e., 73 taels for \$100; Yokohama, telegraphic transfers and thirty days' sight, 74 taels for \$100.

Gold bars are quoted in taels currency per 10 taels, Shanghai weight, 98 touch fine (365.6 grams). Silver bars are quoted in taels currency per 100 taels, Canton weight.

Mexican and Carolus dollars are quoted in taels per \$100. [The preference of the Chinese for the Carolus (Spanish) dollar procures for that coin generally a higher quotation than that for the Mexican dollar. The relation between these coins is as follows: Full weight Carolus dollar, 413.76 grains troy; full weight Mexican dollar, 416.64 grains troy, which, at 60d. per ounce standard, makes the Mexican dollar equal 4s. 2.55d., and Carolus dollar equal 4s. 2.09d.].

At the ports of Hongkong, Canton, Foochow and Amoy accounts are kept in dollars and cents.

At Hongkong, Canton, and Foochow chopped dollars, which are Mexican dollars chopped or stamped by the natives, are the circulating medium and in all payments it is the custom for them to be examined and weighed at the rate of 717 taels, Canton weight, per \$1,000. At Foochow chopped dollars of the lowest description pass current, but at Hongkong and Canton only fairly good chopped dollars are taken at par. At Amoy accounts are kept in currency dollars weighed at 720 taels, Canton weight, per \$1,000. Mexican dollars are also taken at Amoy by arrangement; not weighed, but counted. At these four ports clean or unchopped Mexican dollars usually command a small premium in the market and when sold at a premium are counted instead of weighed.

The following are the approximate average weights of the various descriptions of dollars circulating at the Chinese ports:

	Grains troy.
Japanese trade dollar.....	400
Japanese yen or dollar.....	416
Hongkong dollar.....	416
Mexican dollar, about.....	416½
Carolus or Spanish dollar, about.....	414

The Mexican dollar is about 0.898 fine. New Mexican dollars weigh from 867 to 869 ounces troy per \$1,000, according to where they have been minted, as some of the mints issue coins of fuller weight than others. The value in sterling of the above dollars depends upon the price of bar silver in London and has ranged in past years from 3s. 6d. to 4s. 6d. The Carolus dollar is about 0.894 fine.

Sycee and bar silver are dealt in at these four ports at a variable premium, the par being taken at 717 taels, Canton weight, equal to \$1,000.

COLOMBIA.

The Republic of Colombia has nominally the single silver standard, but its currency consists almost exclusively of paper money, divisional silver coins and nickel coins.

The weight, fineness, etc., of the coins of Colombia are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Double condor.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
Condor	16.1290	900	14.5161	248.9089	224.0180	9.6476

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
2 decimos.....	5.0000	835	4.1750	77.1617	64.4300	.1735
Decimo	2.5000	835	2.0875	38.5808	32.2150	.0867
Half decimo.....	1.2500	835	1.0437	19.2904	16.1075	.0433

COREA.

See Korea.

COSTA RICA.

Costa Rica has the single gold standard and the monetary unit is the colon. Gold coins are full legal tender, silver coins to the amount of 10 colons and copper coins to the amount of 1 colon.

The weight, fineness, etc., of the coins of Costa Rica are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 colons.....	15.5600	900	14.0040	240.1274	216.1147	\$9.3072
10 colons.....	7.7800	900	7.0020	120.0637	108.0573	4.6536
5 colons.....	3.8900	900	3.5010	60.0318	54.0286	2.3268
2 colons.....	1.5560	900	1.4004	24.0127	21.6114	.9307

The value of the silver coins is as follows:

50 centimos equal to one-half colon, or \$0.23267627.

25 centimos equal to one-fourth colon, or \$0.11633813.

10 centimos equal to one-tenth colon, or \$0.04653525.

5 centimos equal to one-twentieth colon, or \$0.02326762.

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Copper.	<i>Grams.</i>		<i>Grains.</i>		
1 centimo.....	2.5000	75 per cent cop- per and 25 per cent nickel.	34.7228	.....	\$0.0046

CUBA.

The monetary system of Cuba is the same as that of Spain. Accounts are kept, however, in piasters of 8 reals of 10 cuartos each. The metallic circulation is composed chiefly of the gold coins mentioned below and of the piasters of Spain and its subdivisions; of Mexican pesos and American dollars.

The weight, fineness, etc., of the principal gold coins in circulation in Cuba are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Spanish quadruple (onza)	27.0643	875	23.6812	417.6659	365.4576	\$15.7389
Doubloon Isabella	8.3871	900	7.5483	129.4327	116.4894	5.0167
Alphonse (25 pesetas)	8.0645	900	7.2580	124.4543	112.0089	4.8238

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.	<i>Grams.</i>		<i>Grains.</i>		
10 centimos...	10.0000	95 per cent cop- per, 4 per cent tin, and 1 per cent zinc.	154.3235	To the amount of 5 pesetas.	\$0.0192
5 centimos...	5.0000		77.1617		.0096
2 centimos...	2.0000		30.8647		.0038
1 centimo....	1.0000		15.4323		.0019

DENMARK.

For general information as to the money of Denmark see Scandinavian Union, The.

The weight, fineness, etc., of the coins of Denmark are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 crowns.....	8.9606	900	8.0645	138.2831	124.4548	\$5.3598
10 crowns.....	4.4803	900	4.0322	69.1415	62.2274	2.6799
5 crowns.....	2.2415	900	2.0161	34.5707	31.1137	1.3389

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
2 crowns.....	15.0000	800	12.0000	231.4853	185.1882	\$0.4988
1 crown.....	7.5000	800	6.0000	115.7426	92.5941	.2494
50 ore.....	5.0000	600	3.0000	77.1617	46.2970	.1247
40 ore.....	4.0000	600	2.4000	61.7294	37.0376	.0997
25 ore.....	2.4200	600	1.4520	37.3463	22.4977	.0603
10 ore.....	1.4500	400	.5800	22.3769	8.9507	.0241

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.	<i>Grams.</i>		<i>Grains.</i>		
5 ore.....	8.0000	95 per cent cop- per, 4 per cent tin, and 1 per cent zinc.	123.4588	To the amount of 1 crown.	\$0.0133
2 ore.....	4.0000		61.7294		.0053
1 ore.....	2.0000		30.8647		.0026

ECUADOR.

Ecuador has the single silver standard and the monetary unit is the sucre or peso.

The weight, fineness, etc., of the coins of Ecuador are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
10 sucres.....	8.1360	900	7.3224	125.5576	113.0018	\$4.8665

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Sucre	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
Peseta, or 20 cents....	5.0000	900	4.5000	77.1617	69.4456	.1870
Real, or 10 cents.....	2.5000	900	2.2500	38.5808	34.7228	.0935
Medio-real, or 5 cents.	1.2500	900	1.1250	19.2904	17.3614	.0467

EGYPT.

Egypt has the single gold standard. Silver is legal tender to the amount of 200 piasters, or about \$10, in any one payment. Nickel and bronze coins are legal tender to the amount of 10 piasters, or about 50 cents. Payments in Egypt are generally made in foreign gold pieces, officially rated by the government as follows:

	Piasters.
Pound sterling.....	97.50
Turkish pound.....	87.75
Old Russian imperial.....	79.45
20-franc piece.....	77.15
Austrian sequin.....	45.92

The rates given the sequin and the imperial are nominal as these pieces do not circulate. The German gold coins are not rated, but are valued as follows: Twenty-mark pieces, 95.5 piasters; 10-mark pieces, 47.75 piasters. Silver coins, such as the Maria Theresa thaler, 5-franc piece, etc., are no longer received in the public treasuries, which accept no coins but English sovereigns, 20-franc pieces and Turkish pounds.

The weight, fineness, etc., of the coins of Egypt are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Egyptian pound.....	8.5000	875	7.4375	131.1750	114.7881	\$4.9430
50 piasters.....	4.2500	875	3.7187	65.5875	57.3890	2.4715

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 piasters.....	28.0000	833	23.3333	432.1059	360.0883	\$0.9699
10 piasters.....	14.0000	833	11.6666	216.0529	180.0441	.4849
5 piasters.....	7.0000	833	5.8333	108.0264	90.0220	.2424
2 piasters.....	2.8000	833	2.3333	43.2105	36.0088	.0909
Piaster	1.4000	833	1.1666	21.6052	18.0044	.0488

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
5 ochr-el-guerche ...	4.0000	75 per cent copper and 25 per cent nickel.	61.7294	To the amount of 10 piasters.	\$0.0247
2 ochr-el-guerche ...	2.0000		30.8647		.0098
1 ochr-el-guerche ...	1.7500		27.0066		.0049
Bronze.					
½ ochr-el-guerche ...	3.3333	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	51.4406		.0024
¼ ochr-el-guerche ...	2.0000		30.8647		.0012

FINLAND.

Finland has the single gold standard, with the markkaa (equal to the franc) as the monetary unit.

The weight, fineness, etc., of the coins of Finland are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 markkaa.....	6.4520	900	5.8068	99.5695	89.6126	\$3.8592
10 markkaa.....	3.2260	900	2.9034	49.7847	44.8063	1.9296

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
2 markkaa.....	10.3650	868	8.9968	159.9562	138.8421	\$0.3739
1 markkaa.....	5.1825	868	4.4984	79.9781	69.4210	.1869
50 penni.....	2.5490	750	1.9117	39.3370	29.5028	.0794
25 penni.....	1.2745	750	0.9558	19.6685	14.7514	.0397

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze .					
	<i>Grams.</i>		<i>Grains.</i>		
10 penni....	12.7968		197.4847	To the	\$0.0192
5 penni.....	6.3984		98.7423	amount of	.0096
1 penni.....	1.2796		19.7484	1 markkaa.	.0019

FRANCE.

For general information as to the money of France see Latin Union, The.

The weight, fineness, etc., of the coins of France are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
100 francs.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
50 francs.....	16.1200	900	14.5161	248.0089	224.0180	9.6476
20 francs.....	6.4516	900	5.8064	99.5635	89.6072	3.8590
10 francs.....	3.2258	900	2.9032	49.7817	44.8036	1.9295
5 francs.....	1.6120	900	1.4516	24.8908	22.4018	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 francs.....	25.0000	900	22.5000	383.8080	347.2280	\$0.9352
2 francs.....	10.0000	835	8.3500	154.3235	128.8601	.3470
1 franc.....	5.0000	835	4.1750	77.1617	64.4300	.1735
50 centimes.....	2.5000	835	2.0875	38.5808	32.2150	.0867
20 centimes.....	1.0000	835	0.8350	15.4323	12.8860	.0347

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.					
	<i>Grams.</i>		<i>Grains.</i>		
10 centimes...	10.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	154.3235	To the amount of 5 francs.	\$0.0192
5 centimes...	5.0000		77.1617		.0096
2 centimes...	2.0000		30.8647		.0038
1 centime....	1.0000		15.4323		.0019

GERMANY.

The standard of the German Empire is gold monometallic and the monetary unit is the mark of 100 pfennigs. Silver is legal tender to the amount of 20 marks. All silver coins are exchangeable for gold at the public treasuries.

The weight, fineness, etc., of the coins of Germany are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Double crown (20 marks)	7.9649	900	7.1684	122.9177	110.6260	\$4.7642
Crown (10 marks)....	3.9824	900	3.5842	61.4588	55.3130	2,3821

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 marks.....	27.7777	900	25.0000	428.6765	385.8089	\$1.0392
2 marks.....	11.1111	900	10.0000	171.4709	154.3235	.4156
Mark	5.5555	900	5.0000	85.7353	77.1617	.2078
50 pfennigs.....	2.7777	900	2.5000	42.8676	38.5808	.1039
Thaler	18.5185	900	16.6666	285.7840	257.2056	.6928

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.	
Nickel.						
	<i>Grams.</i>		<i>Grains.</i>			
10 pfennigs..	4.0000	75 per cent copper and 25 per cent nickel.	61.7294	To the amount of 1 mark.	\$0.0238	
5 pfennigs...	2.5000		38.5808		.0119	
Bronze.						
2 pfennigs..	3.3333	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	51.4406		.0047	
1 pfennig....	2.0000		30.8647		.0023	

GREAT BRITAIN (AND COLONIES).

The single gold standard was definitely adopted in England by the act of Parliament passed June 22, 1816. The sovereign or pound sterling is the monetary unit. The legal gold coins of Great Britain are the sovereign, half-sovereign, 2-sovereign and 5-sovereign pieces. The gold coins in circulation consist of sovereigns and half-sovereigns. The silver coins are the crown, double florin (no longer issued), half-crown, florin, shilling, 6 pence and 3 pence pieces. The silver coins of Great Britain are a legal tender for 40s., or £2—equal to \$9.73.2 in United States money. The present legal ratio between gold and silver in the coinage of Great Britain is as 1 to 14.28781.

Individuals have the right to deposit gold at the royal mint for coinage and receive in return therefor £3 17s. 10 1-2d. per ounce of standard gold (916 2-3 in English standard) under the law, but as a matter of fact since 1844 the Bank of England has been the only depositor of gold at the royal mint. The charter of the bank makes it obligatory upon the bank to receive all gold brought to it by the public and to pay for it immediately at the rate of £13 17s. 9d. per ounce, standard. The difference of 1 1-2d. compensates the bank for the loss of interest between the date of the deposit of the gold at the mint and the date it receives the same back in the form of coin.

The English colonies of Malta, Gibraltar, the Cape of Good Hope, Natal, the Australian colonies and New Zealand have the same monetary system as in England. In Canada, however, the gold dollar of the United States is the monetary unit and the pound sterling or sovereign is a legal tender at the rate of \$4.86.6. In the settlements of the Straits of Malacca and Hongkong the single silver standard prevails, the British dollar (coined in pursuance of the British dollar order, 1895), the Hongkong and the Mexican dollar being legal tender for the payment of all sums in these colonies.

The weight, fineness, etc., of the coins of Great Britain are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 pounds.....	39.9402	916 $\frac{2}{3}$	36.6119	616.3723	565.0079	\$24.3328
2 pounds.....	15.9761	916 $\frac{2}{3}$	14.6447	246.5489	226.0031	9.7331
Sovereign	7.9880	916 $\frac{2}{3}$	7.3223	123.2744	113.0015	4.8665
Half sovereign.....	3.9940	916 $\frac{2}{3}$	3.6611	61.6372	56.5007	2.4332

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Crown	28.2759	925	26.1552	436.3037	403.0364	\$1.0872
Half crown.....	14.1379	925	13.0776	218.1818	201.8182	.5436
Florin	11.3103	925	10.4620	174.5455	161.4545	.4348
Shilling	5.6551	925	5.2310	87.2727	80.7272	.2174
Sixpence	2.8275	925	2.6155	43.6363	40.3636	.1087
Fourpence	1.8850	925	1.8850	29.0909	26.0909	.0724
Threepence	1.4137	925	1.3077	21.8181	20.1818	.0543
Twopence .....	.9425	925	.8718	14.5454	13.4545	.0362
Penny .....	.4712	925	.4359	7.2727	6.7272	.0181

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.					
	<i>Grams.</i>		<i>Grains.</i>		
1 penny.....	9.4498	95 per cent cop-	145.8333	To the amount of 1 shilling.	\$0.0202
Halfpenny ...	5.6699	per, 4 per cent	87.5000		.0101
Farthing	2.8349	tin, and 1 per cent zinc.	43.7500		.0050

GREECE.

For general information as to the money of Greece see Latin Union, The.

The weight, fineness, etc., of the coins of Greece are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
100 drachmas.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
50 drachmas.....	16.1290	900	14.5161	248.9089	224.0180	9.6476
20 drachmas.....	6.4516	900	5.8064	99.5635	89.6072	3.8590
10 drachmas.....	3.2258	900	2.9032	49.7817	44.8036	1.9295
5 drachmas.....	1.6129	900	1.4516	24.8908	22.4018	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 drachmas.....	25.0000	900	32.5000	385.8089	347.2280	\$0.9352
2 drachmas.....	10.0000	835	8.3500	154.3235	128.8601	.3470
1 drachma.....	5.0000	835	4.1750	77.1617	64.4300	.1735
50 lepta.....	2.5000	835	2.0875	38.5808	32.2150	.0867
20 lepta.....	1.0000	835	0.8350	15.4323	12.8860	.0347

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.					
	<i>Grams.</i>		<i>Grains</i>		
20 lepta.....	4.0000	75 per cent cop- per and 25 per cent nickel.	61.7294	To the amount of 5 francs.	\$0.0385
10 lepta.....	3.0000		46.2970		.0192
5 lepta.....	2.0000		30.8647		.0096
Bronze.					
2 lepta.....	2.0000	95 per cent cop- per, 4 per cent tin, and 1 per cent zinc.	30.8647		.0038
1 lepton.....	1.0000		15.4323		.0019

GUATEMALA.

Accounts in Guatemala are kept in the silver peso or piaster.

The weight, fineness, etc., of the coins in use in Guatemala are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Onza or doubloon.....	27.0643	875	23.6812	117.0059	365.4576	\$15.7389
Half onza.....	13.5321	875	11.8406	208.8329	182.7288	7.8694
20 pesos.....	32.2580	900	29.0322	497.8169	448.0352	19.2952
10 pesos.....	16.1290	900	14.5161	248.9084	224.0176	9.6476
5 pesos.....	8.0645	900	7.2580	124.4542	112.0088	4.8238
2 pesos.....	3.2258	900	2.9032	49.7816	44.8035	1.9295
1 peso.....	1.6129	900	1.4516	24.8008	22.4017	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
Half peso.....	12.5000	900	11.2500	192.9044	173.6140	.4676
Quarter peso.....	6.2500	900	5.6250	96.4522	86.8070	.2338
Dime	2.5000	835	2.0875	38.5808	32.2150	.0867
Half dime	1.2500	835	1.0437	19.2904	16.1075	.0433
1 peso.....	1.6129	900	1.4516	24.8008	22.4017	.9647

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Copper.					
1 centimo....	<i>Grams.</i> 2.50000	75 per cent cop- per and 25 per cent nickel.	<i>Grains.</i> 34.7228	.....	\$0.0100

HAITI.

The money of account in Haiti is the gourde of 100 cents. The actual currency is irredeemable paper. The metallic gourdes have disappeared entirely from circulation, being hoarded. Only the divisional coins are found in circulation, but these frequently command a premium of from 1 to 2 per cent. Many United States gold pieces are used, owing to the fact that export duties have to be paid in gold.

The weight, fineness, etc., of the coins of Haiti are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
10 gourdes.....	16.1290	900	14.5161	248.9084	224.0176	\$9.6476
5 gourdes.....	8.0645	900	7.2580	124.4542	112.0088	4.8238
2 gourdes.....	3.2258	900	2.9032	49.7816	44.8035	1.9295
Gourde	1.6129	900	1.4516	24.8008	22.4017	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Gourde	25.0000	900	22.5000	385.8086	347.2280	\$0.9352
Half gourde.....	12.5000	835	10.4375	192.9041	161.9752	.4338
Fifth gourde.....	5.0000	835	4.1750	77.1617	64.4300	.1735
Tenth gourde.....	2.5000	835	2.0875	38.5808	32.2150	.0867

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.					
	<i>Grams.</i>		<i>Grains.</i>		
2 centimes....	10.0000	95 per cent cop- per, 4 per cent pewter, and 1 per cent zinc.	154.3235	To the amount of 2 gourdes.	\$0.0192
1 centime....	5.0000		77.1617		.0096

HOLLAND.

See Netherlands, The.

HONDURAS.

Accounts in Honduras are kept in the silver peso or piaster.

The weight, fineness, etc., of the coins in use in Honduras are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Onza or doubloon....	27.0043	875	23.6812	417.6659	365.4576	\$15.7389
Half onza.....	13.5321	875	11.8406	208.8329	182.7288	7.8694
20 pesos.....	32.2580	900	29.0322	497.8169	448.0352	19.2952
10 pesos.....	16.1290	900	14.5161	248.9084	224.0176	9.6476
5 pesos.....	8.0645	900	7.2580	124.4542	112.0088	4.8238
2 pesos.....	3.2258	900	2.9032	49.7816	44.8035	1.9295
1 peso.....	1.6129	900	1.4516	24.8908	22.4017	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
Half peso.....	12.5000	900	11.2500	192.9044	173.6140	.4676
Quarter peso.....	6.2500	900	5.6250	96.4522	86.8070	.2338
Dime	2.5000	835	2.0875	38.5808	32.2150	.0867
Half dime.....	1.2500	835	1.0437	19.2904	16.1075	.0433

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
	<i>Grams.</i>		<i>Grains.</i>		
1 centimo.	2.5000	75 per cent copper and 25 per cent nickel.	34.7228	.....	\$0.0100

HUNGARY.

See Austria-Hungary.

INDIA (BRITISH).

The monetary standard is gold and the unit is the sovereign. The government undertakes to receive from the public gold in exchange for rupees and rupees in exchange for gold at the rate of 15 rupees to the sovereign. Rupees and half rupees remain full legal tender in payment or on account, side by side with the sovereign, at the rate of 15 rupees to the sovereign. The coinage of the gold mohur gradually declined with the importation of gold bars bearing recognized marks and for many years the few mohurs which have been coined have been struck as specimens. In the future these coins will not enter into circulation or be a part of the Indian monetary system.

The weight, fineness, etc., of the coins of British India are as follows:

GOLD.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure gold contained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Sovereign	7.9880	916 $\frac{2}{3}$	7.3223	123.2741	113.0015	\$4.8665
Half sovereign.....	3.9940	916 $\frac{2}{3}$	3.6611	61.6372	56.5007	2.4332

SILVER.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure silver contained.	Value compared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Rupee	11.6640	916 $\frac{2}{3}$	10.0920	180.0030	165.0027	\$0.4444
Half rupee.....	5.8320	916 $\frac{2}{3}$	5.3460	90.0015	82.5013	.2222
Quarter rupee.....	2.9160	916 $\frac{2}{3}$	2.6730	45.0007	41.2506	.1111
Eighth rupee.....	1.4580	916 $\frac{2}{3}$	1.3365	22.5003	20.6253	.0555

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
	<i>Grams.</i>		<i>Grains.</i>		
Copper.					
2 pice or ½ anna	12.9598		200.0000		\$0.0101
1 pice or ¼ anna	6.4799		100.0000	To the amount of 1 rupee.	.0050
½ pice or ⅛ anna	3.2399		50.0000		.0025
1 pic or 1-12 anna	2.1599		33.3333		.0016

ITALY.

For general information as to the money of Italy see Latin Union, The. The weight, fineness, etc., of the coins of Italy are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	
100 lire.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
50 lire.....	16.1290	900	14.5161	248.9089	224.0180	9.6476
20 lire.....	6.4516	900	5.8064	99.5635	89.6072	3.8590
10 lire.....	3.2258	900	2.9032	49.7817	44.8036	1.9295
5 lire.....	1.6129	900	1.4516	24.8908	22.4018	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grams.</i>	<i>Grams.</i>	
5 lire.....	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
2 lire.....	10.0000	835	8.3500	154.3235	128.8601	.3470
1 lira.....	5.0000	835	4.1750	77.1617	64.4300	.1735
50 centesimi.....	2.5000	835	2.0875	38.5808	32.2150	.0867
20 centesimi.....	1.0000	835	0.8350	15.4323	12.8860	.0347

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.					
20 centesimi..	<i>Grams.</i> 4.0000	75 per cent cop- per and 25 per cent nickel.	<i>Grams.</i> 61.7294	To the amount of 5 francs.	\$0.0385
Bronze.					
10 centesimi..	10.0000	96 per cent cop- per and 4 per cent tin.	154.3235	To the amount of each piece.	.0192
5 centesimi...	5.0000		77.1617		.0096
2 centesimi...	2.0000		30.8647		.0038
1 centesimo...	1.0000		15.4323		.0019

JAPAN.

Japan has the single gold standard and the unit is the yen. The unit is not coined. The hundredth part of a yen is a sen and the tenth part of a sen a rin. The gold coins are full legal tender; silver coins are legal tender to the amount of 10 yen, and nickel and copper coins to the amount of 1 yen.

In September, 1879, the Japanese silver yen of 416 grains, .900 fine, was declared by the government to be a legal tender, to be received and paid on a par with the Mexican dollar and to be accepted at the government offices in payment of customs dues, land rents, etc. The foreign banks and the mercantile community have recognized this action on the part of the

government and this silver yen of 416 grains is, in fact, the present monetary unit and it has virtually supplanted the Mexican dollar.

Trade among the Japanese is carried on to a large extent in a government paper money which is inconvertible but stands at par. This paper is styled kinsatsu.

The weight, fineness, etc., of the coins of Japan are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 yen.....	16.6665	900	14.9098	257.2033	231.4830	\$9.9691
10 yen.....	8.3333	900	7.4999	128.6024	115.7422	4.9845
5 yen.....	4.1666	900	3.7499	64.3004	57.8704	2.4922
Yen (not coined).....	.8333	900	.7499	12.8602	11.5742	.4984

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
50 sen.....	13.4783	800	10.7826	208.0019	166.4015	\$0.4482
20 sen.....	5.3914	800	4.3131	83.2020	66.5616	.1792
10 sen.....	2.6955	800	2.1564	41.5979	33.2783	.0896

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal Tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
5 sen.....	4.6654	75 per cent cop- per and 25 per cent nickel.	71.9981		\$0.0245
Bronze.				To the amount of 1 yen.	
1 sen.....	7.1280	95 per cent cop- per, 4 per cent	110.0018		.0049
5 rin.....	3.5640	tin, and 1 per cent zinc.	55.0009		.0024

KOREA.

The unit of value in Korea is the silver liang, equal to 20 Japanese sen and equal to 9.96 United States cents. There is a 5-liang piece, or dollar, so-called, equal to the Japanese yen, which is equal to 49.84 United States cents.

LATIN UNION, THE (BELGIUM, FRANCE, GREECE, ITALY, SWITZERLAND).

The Latin Union has the double standard and the ratio of gold to silver of 1 to 15 1-2. The coinage of gold is unlimited and the coinage of silver

suspended. Gold coins and the 5-franc silver piece are unlimited legal tender.

The franc is known as the lira in Italy and as the drachma in Greece. The centime is called the centesimo (plural centesimi) in Italy and the lepton (plural lepta) in Greece. The silver coins of less than five francs are legal tender between individuals to the amount of 50 francs and are receivable by the state to the amount of 100 francs in single payments.

The convention now in force is dated November 6, 1885. By its terms the suspension of the coinage of the 5-franc silver piece is maintained in the countries of the union, but any of the contracting states may resume the free coinage of silver on condition of exchanging, during the entire duration of the convention, the 5-franc silver pieces bearing its stamp and circulating in the other states of the union for gold on demand. The latter, however, would then be at liberty not to receive the 5-franc silver pieces of the state that resumed the free coinage of the white metal. It was likewise stipulated in the convention of 1885 that the coins of each of the signatory powers should be received by the treasuries of the others as well as by the banks of France and Belgium and that the union might be terminated any time after January 1, 1891, by giving one year's notice.

The weight, fineness, etc., of the coins of the Latin Union are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
100 francs.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
50 francs.....	16.1290	900	14.5161	248.9089	224.0180	9.6476
20 francs.....	6.4516	900	5.8064	99.5635	89.6072	3.8590
10 francs.....	3.2258	900	2.9032	49.7817	44.8036	1.9295
5 francs.....	1.6129	900	1.4516	24.8908	22.4018	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 francs.....	25.0000	900	22.5000	385.8080	347.2280	\$0.9352
2 francs.....	10.0000	835	8.3500	154.3235	128.8601	.3470
1 franc.....	5.0000	835	4.1750	77.1617	64.4300	.1735
50 centimes.....	2.5000	835	2.0875	38.5808	32.2150	.0867
20 centimes.....	1.0000	835	0.8350	15.4323	12.8860	.0347

MEXICO.

Mexico is a bimetallic country, but the legal standard is the silver dollar (peso). The Mexican silver dollar circulates not only in Mexico, but, under the name of piaster, is the current coin of several countries in America, Asia and Africa.

The weight, fineness, etc., of the coins of Mexico are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 pesos.....	33.8410	875	20.6108	522.2463	436.9655	\$19.6798
10 pesos.....	16.9200	875	14.8050	261.1154	228.4760	9.8396
5 pesos.....	8.4600	875	7.4025	130.5577	114.2380	4.9198
2½ pesos (no longer coined)	4.2300	875	3.7012	65.2788	57.1190	2.4599
Peso	1.6020	875	1.4805	26.1115	22.8476	.9839

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	27.0730	902.7	24.4408	417.8001	377.1803	\$1.0159
50 centavos (no longer coined)	13.5360	902.7	12.2204	208.9000	188.5901	.5079
20 centavos.....	5.4146	902.7	4.8881	83.5600	75.4360	.2031
10 centavos.....	2.7073	902.7	2.4440	41.7800	37.7180	.1015
5 centavo.....	1.3536	902.7	1.2220	20.8900	18.8590	.0507

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.					
1 centavo....	<i>Grams.</i> 3.0000	95 per cent cop- per, 4 per cent tin, and 1 per cent zinc.	<i>Grains.</i> 46.2970	To the amount of 25 centa- vos.	\$0.0098

NETHERLANDS, THE (HOLLAND).

The Netherlands is classed as a double-standard country, but the country is on a gold basis. The foreign exchanges have adjusted themselves as if the Netherlands possessed a gold standard.

The monetary system of the Dutch colonies is the same as that of the Netherlands.

The weight, fineness, etc., of the coins of the Netherlands are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
10 florins.....	6.7200	900	6.0480	103.7054	93.3348	\$4.0195

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Rixdaler (2½ florins)	25.0000	945	23.6250	385.8080	364.5804	\$0.9820
Florin	10.0000	945	9.4500	154.3235	145.8357	.3928
Half florin.....	5.0000	945	4.7250	77.1617	72.9178	.1964
Quarter florin.....	3.5750	640	2.2880	55.1706	35.3992	.0951
Tenth florin.....	1.4000	640	0.8960	21.6052	13.8273	.0372
Twentieth florin.....	0.6850	640	0.4384	10.5711	6.7655	.0182

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.					
	<i>Grams.</i>		<i>Grains.</i>		
2½ cents.....	4.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	61.7204	To the amount of 1 florin.	\$0.0100
1 cent.....	2.5000		38.5807		.0040
½ cent.....	1.2500		19.2903		.0020

NEWFOUNDLAND.

Newfoundland has a monetary system separate and independent from that of the Dominion of Canada. The standard is gold and the unit is the gold dollar, which is not coined, but which contains, theoretically, 25.682 grains or 1.664 grams of gold .916 2-3 fine. It is, therefore, worth \$1.01.38 in United States coin. The actual gold coin is the \$2 piece which weighs double the unit. The dollar of the United States and the British sovereign are full legal tender at 98.5 cents and \$4.80 respectively.

Newfoundland has silver coins of 50, 20, 10 and 5 cents, all of which are .925 fine. The 50-cent piece or half-dollar weighs 181.81 grains or 11.782 grams. Thus, this colony has the coins of the United States in name, but of the British standard of fineness. The minor coin is the cent, composed of 95 per cent copper, 4 per cent tin and 1 per cent zinc; it weighs 87 1-2 grains, whereas the cent of the United States weighs but 48 grains.

NICARAGUA.

Accounts in Nicaragua are kept in the silver peso or piaster.

The weight, fineness, etc., of the coins in use in Nicaragua are as follows:

GOLD.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure gold contained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Onza or doubloon.....	27.0643	875	23.6812	417.6659	365.4576	\$15.7389
Half onza.....	13.5321	875	11.8406	208.8329	182.7288	7.8694
20 pesos.....	32.2580	900	29.0322	497.8169	448.0352	19.2952
10 pesos.....	16.1290	900	14.5161	248.9084	224.0176	9.6476
5 pesos.....	8.0645	900	7.2580	124.4542	112.0088	4.8238
2 pesos.....	3.2258	900	2.9032	49.7816	44.8035	1.9295
1 peso.....	1.6129	900	1.4516	24.8908	22.4017	.9647

SILVER.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure silver contained.	Value compared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
Half peso.....	12.5000	900	11.2500	192.9044	173.6140	.4676
Quarter peso.....	6.2500	900	5.6250	96.4522	86.8070	.2338
Dime	2.5000	835	2.0875	38.5808	32.2150	.0867
Half dime.....	1.2500	835	1.0437	19.2904	16.1075	.0433

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
	<i>Grams.</i>		<i>Grains.</i>		
1 centimo....	2.5000	75 per cent copper and 25 per cent nickel.	34.7228	.....	\$0.0100

NORWAY.

For general information as to the money of Norway see Scandinavian Union, The.

The weight, fineness, etc., of the coins of Norway are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 crowns.....	8.9606	900	8.0645	138.2831	124.4548	\$5.3598
10 crowns.....	4.4803	900	4.0322	69.1415	62.2274	2.6799
5 crowns.....	2.2415	900	2.0161	34.5707	31.1137	1.3389

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
2 crowns.....	15.0000	800	12.0000	231.4853	185.1882	\$0.4988
1 crown.....	7.5000	800	6.0000	115.7426	92.5941	.2494
50 ore.....	5.0000	600	3.0000	77.1617	46.2970	.1247
40 ore.....	4.0000	600	2.4000	61.7294	37.0376	.0997
25 ore.....	2.4200	600	1.4520	37.3463	22.4077	.0603
10 ore.....	1.4500	400	.5800	22.3769	8.9507	.0241

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
	<i>Grams.</i>		<i>Grains.</i>		
Bronze.					
5 ore.....	8.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	123.4588	To the amount of 1 crown.	\$0.0133
2 ore.....	4.0000		61.7294		.0053
1 ore.....	2.0000		30.8647		.0026

PARAGUAY.

The money of account of Paraguay is the peso, divided into 8 reals; it is also divided into 100 centavos. The country, however, has a depreciated paper currency. The gold onza is rated officially at 17 1-2 paper pesos. Five-franc pieces, venezolanos and other piasters of the same kind are in like manner reckoned as equivalent to 1 1-4 paper pesos.

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grains.</i>		<i>Grains.</i>		
20 cents.....	4.0000	75 per cent copper and 25 per cent nickel.	61.7294	To the amount of 2 per cent of the payment.	<div>\$0.1929</div> <div>.0964</div> <div>.0482</div>
10 cents.....	3.0000		46.2070		
5 cents.....	2.0000		30.8647		

PERSIA.

In Persia ten shahis equal 1 penebat; 2 penebats equal 1 sahib-ghiran or kran; 10 krans equal 1 toman, or 200 shahis equal 1 toman. The standard is silver. The principal coin is the kran, a silver piece of 71.065 grains .900 fine. The krans which circulate vary, however, greatly, as the mints of the country are not reliable. The fineness of the coins oscillates between .760 and .900. In larger transactions the toman is taken as the unit, reckoned equal to 10 krans. There are some gold tomans and half-tomans in existence, but they are not the standard; they circulate only as commercial money and are taken by weight.

The weight, fineness, etc., of the coins of Persia are as follows:

GOLD.

Denomination.	Weight.	Fine-ness.	Pure gold contained.	Value in United States gold coin.
	<i>Grains.</i>	<i>1,000ths</i>	<i>Grains.</i>	
2 tomans.....	87.962	900	79.166	\$3.409
Toman	43.981	900	39.583	

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Copper.	<i>Grains.</i>		<i>Grains.</i>		
1 abassi (4 chais)	20.0000		308.6471		\$0.0340
2 chais.....	10.0000		154.3235		.0170
1 chai.....	5.0000		77.1617		.0085
½ chai.....	2.5000		38.5808		.0042

PERU.

Peru has the double standard. The unit, the silver sol, is of the same weight and fineness as the French 5-franc piece. The new gold coin, called the libra peruana (Peruvian pound), is of the same weight and fineness as the pound sterling and both are now in circulation in Peru concurrently with the silver sol at the legal par of equality, which is that of 1 to 31. This ratio values the sol at 24d. and the libra at 10 soles. Paper money disappeared from circulation in 1887 and its emission has since been prohibited.

The weight, fineness, etc., of the coins of Peru are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Libra	7.0880	916 $\frac{2}{3}$	7.3223	123.2744	113.0015	\$4.8665
Half libra.....	3.0040	916 $\frac{2}{3}$	3.0611	61.6372	56.5007	2.4332

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Sol	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
Half sol.....	12.5000	900	11.5000	192.9044	173.6140	.4676
Fifth sol.....	5.0000	900	4.5000	77.1617	69.4456	.1870
Dinero (dime).....	2.5000	900	2.2500	38.5808	34.7228	.0935
Half dinero.....	1.2500	900	1.1250	19.2904	17.3614	.0467

PORTUGAL.

The standard of Portugal is gold monometallic, with the milrei of 1,000 reis as the monetary unit. One thousand milreis or 1,000,000 reis is called a conto. Gold is coined in unlimited amounts on private account at a mint charge of 1 milrei per kilogram. Silver, like copper, is coined only in divisional coins. Silver is legal tender only to the amount of 5 milreis, but by Lisbon commercial usage one-third of all payments is accepted in that metal.

The weight, fineness, etc., of the coins of Portugal are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Crown	17.7350	916 $\frac{2}{3}$	16.2570	273.6928	250.8851	\$10.8046
Half crown, 5 milreis.	8.8675	916 $\frac{2}{3}$	8.1285	136.8464	125.4425	5.4023
Fifth crown, 2 milreis.	3.5470	916 $\frac{2}{3}$	3.2514	54.7385	50.1770	2.1609
Tenth crown, 1 milrei.	1.7735	916 $\frac{2}{3}$	1.6257	27.3692	25.0885	1.0804

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
1,000 reis.....	25.0000	916 $\frac{2}{3}$	22.9166	385.8089	353.6581	\$0.9526
500 reis.....	12.5000	916 $\frac{2}{3}$	11.4583	192.9044	176.8290	.4763
200 reis.....	5.0000	916 $\frac{2}{3}$	4.5833	77.1617	70.7316	.1905
100 reis.....	2.5000	916 $\frac{2}{3}$	2.2916	38.5808	35.3658	.0952
50 reis.....	1.2500	916 $\frac{2}{3}$	1.1458	19.2904	17.6829	.0476

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
100 reis.....	4.0000	75 per cent copper and 25 per cent nickel.	61.7201	.....	\$0.1080
50 reis.....	2.5000		38.5807	.....	.0540
Bronze.					
20 reis.....	12.0000	96 per cent copper, 2 per cent tin, and 2 per cent zinc.	185.1882	To the amount of 100 reis.	.0216
10 reis.....	6.0000		92.5941		.0108
5 reis.....	3.0000		46.2970		.0054

The Portuguese possessions in Asia use a coinage of which the unit is the xerafin, equal to 1-2 rupee or 5 tangas, each tanga being equal to 60 Portuguese reis.

ROUMANIA.

The system of the Latin Union prevails in Roumania, the franc being called the lei and the centime the bani; but a measure passed by the Roumanian chamber in 1890 abrogated the double standard and substituted for it the single gold standard, with a subsidiary silver coinage having a paying power to the amount of 50 leis or francs.

The weight, fineness, etc., of the coins of Roumania are as follows:

GOLD.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure gold contained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 leis.....	6.4516	900	5.8064	99.5635	89.6072	\$3.8590
10 leis.....	3.2258	900	2.9032	49.7817	44.8036	1.9295

SILVER.

Denomination.	Weight.	Fine-ness.	Fine wgt.	Weight.	Pure silver contained.	Value compared with silver in United States silver dollar
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 leis.....	25.0000	900	22.5000	385.8080	347.2280	\$0.9352
2 leis.....	10.0000	835	8.3500	154.3235	128.8601	.3470
Lei.....	5.0000	835	4.1750	77.1617	64.4300	.1735
Half lei.....	2.5000	835	2.0875	38.5808	32.2150	.0867

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.	<i>Grams.</i>		<i>Grains.</i>		
10 bani.....	10.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	154.3235	To the amount of 5 leis.	\$0.0192
5 bani.....	5.0000		77.1617		.0096
2 bani.....	2.0000		30.8647		.0038
1 bani.....	1.0000		15.4323		.0019

RUSSIA.

The monetary system of Russia is based on gold; the unit is the ruble, divided into 100 copecks. Gold coin of full weight is legal tender for any amount. A tender of payment of money in silver coins of 1 ruble, 50 copecks or 25 copecks is legal tender among private persons only to an amount not exceeding 25 rubles and in other silver coins, as well as in copper coins, to the amount of 3 rubles. Government treasuries receive the above-mentioned coins to any amount in all payments, with the exception of custom house duties, in which case the amount of silver and copper coin to be received as legal tender is fixed by the custom house regulations.

The weight, fineness, etc., of the coins of Russia are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
15 rubles (imperials).	12.9039	900	11.6135	199.1376	179.2239	\$7.7185
10 rubles.....	8.6026	900	7.7423	132.7584	119.4826	5.1456
7½ rubles (half impe- rials.	6.4519	900	5.8067	99.5688	89.6119	3.8592
5 rubles.....	4.3063	900	3.8711	66.3792	59.7413	2.5728

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
1 ruble.....	19.9957	900	17.9961	308.5811	277.7230	\$0.7480
50 copecks.....	9.9978	900	8.9980	154.2905	138.8615	.3740
25 copecks.....	4.9989	900	4.4990	77.1452	69.4307	.1870
20 copecks.....	3.5992	500	1.7996	55.5446	27.7723	.0748
15 copecks.....	2.6994	500	1.3497	41.6584	20.8292	.0561
10 copecks.....	1.7996	500	.8998	27.7723	13.8861	.0374
5 copecks.....	.8998	500	.4499	13.8861	6.9430	.0187

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Copper.					
	<i>Grams.</i>		<i>Grains.</i>		
5 copecks.	16.3805		252.7895	To the amount of 3 rubles.	\$0.0257
3 copecks.	9.8283		151.6737		.0154
2 copecks.	6.5522		101.1158		.0102
1 copeck.	3.2761		50.5579		.0051
½ copeck.	1.6380		25.2789		.0025
¼ copeck. ....	.8190		12.6394		.0012

SALVADOR.

Accounts in Salvador are kept in the silver peso or piaster.

The weight, fineness, etc., of the coins in use in Salvador are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Onza or doubloon.....	27.0643	875	23.6812	417.0659	315.4576	\$15.7389
Half onza.....	13.5321	875	11.8406	208.8329	182.7288	7.8694
20 pesos.....	32.2580	900	29.0322	497.8169	448.0352	19.2952
10 pesos.....	16.1290	900	14.5161	248.9084	224.0176	9.6476
5 pesos.....	8.0645	900	7.2580	124.4542	112.0088	4.8238
2 pesos.....	3.2258	900	2.9032	49.7816	44.8035	1.9295
1 peso.....	1.6129	900	1.4516	24.8908	22.4017	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
Peso	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
Half peso.....	12.5000	900	11.2500	192.9044	173.6140	.4676
Quarter peso.....	6.2500	900	5.6250	96.4522	86.8070	.2338
Dime	2.5000	835	2.0875	38.5808	32.2150	.0867
Half dime.....	1.2500	835	1.0437	19.2904	16.1075	.0433

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
1 centimo....	2.5000	75 per cent cop- per and 25 per cent nickel.	34.7228	.....	\$0.0100

SANTO DOMINGO.

This country ostensibly has the gold standard, with the dollar of the United States as the unit, but the circulation consists principally of Mexican coins.

SCANDINAVIAN UNION, THE (DENMARK, NORWAY, SWEDEN).

The Scandinavian Monetary Union embraces Sweden, Norway and Denmark. These three kingdoms concluded in 1873 and 1875 a monetary convention based on the employment of the single gold standard and on a common system of coins and money of account. The krone or crown, divided into 100 ore, is the monetary unit.

Silver coins are legal tender as follows: The 2-kroner and 1-kroner pieces to the amount of 20 kroner; the 50, 40, 25 and 10-ore pieces to the amount of 5 kroner. All the coins above mentioned have legal currency in the three kingdoms. The monetary convention does not limit the coinage by the governments of the silver or bronze coins. In each of the three

states are public treasuries, at which any sum of fractional coin divisible by 10 kronen may be exchanged for gold.

The weight, fineness, etc., of the coins of the Scandinavian Union are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 crowns.....	8.9006	900	8.0645	138.2831	124.4548	\$5.3598
10 crowns.....	4.4803	900	4.0322	69.1415	62.2274	2.6799
5 crowns.....	2.2415	900	2.0161	34.5707	31.1137	1.3389

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
2 crowns.....	15.0000	800	12.0000	231.4853	185.1882	\$0.4988
1 crown.....	7.5000	800	6.0000	115.7426	92.5941	.2494
50 ore.....	5.0000	600	3.0000	77.1617	46.2970	.1247
40 ore.....	4.0000	600	2.4000	61.7294	37.0376	.0997
25 ore.....	2.4200	600	1.4520	37.3403	22.4077	.0603
10 ore.....	1.4500	400	.5800	22.3769	8.9507	.0241

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.	<i>Grams.</i>		<i>Grains.</i>		
5 ore.....	8.0000	95 per cent cop- per, 4 per cent tin, and 1 per cent zinc.	123.4588	To the amount of 1 crown.	\$0.0133
2 ore.....	4.0000		61.7294		.0053
1 ore.....	2.0000		30.8647		.0026

SERVIA.

Servia has the same decimal system of coinage as the Latin Union. The unit is the dinar; the hundredth part of the dinar is the para. Five hundred dinars constitute the legal tender for 5-dinar pieces and 50 dinars for the rest of the silver coinage.

The Servian treasury receives foreign gold and silver money coined under the same system as the Servian and admits it into circulation under a fixed tariff, provided reciprocal treatment is accorded to the Servian coinage in the foreign states to which such coinage belongs. The gold coinage of certain other countries not parties to the Latin Union is received into circulation under a special tariff in which the pound sterling is admitted at 25 dinars.

The weight, fineness, etc., of the coins of Servia are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 dinars.....	6.4516	900	5.8064	99.5035	89.6071	\$3.8590
10 dinars.....	3.2258	900	2.9032	49.7817	44.8035	1.9295

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 dinars.....	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
2 dinars.....	10.0000	835	8.3500	154.3235	128.8601	.3470
Dinar	5.0000	835	4.1750	77.1617	64.4300	.1735
Half dinar.....	2.5000	835	2.0875	38.5808	32.2150	.0867

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
20 paras.....	6.0000	75 per cent cop- per and 25 per cent nickel.	92.5941	To the amount of 5 francs.	\$0.0385
10 paras.....	4.0000		61.7294		.0192
5 paras.....	3.0000		46.2970		.0096
Bronze.					
10 paras.....	10.0000	95 per cent cop- per, 4 per cent tin, and 1 per cent zinc.	154.3235	To the amount of 1 franc.	.0192
5 paras.....	5.0000		77.1617		.0096
1 para.....	1.0000		15.4323		.0019

SIAM.

In Siam 800 cowries equal one fuang; 2 fuango equal 1 salung; 4 salungo equal 1 bat or tical; 4 bats equal 1 tamling; 20 tamling equal 1 chang; 50 chang equal 1 hap; 100 hap equal 1 tara.

Cowries (also called bia in Siam) are the well-known shells used in many parts of Asia and Africa as a medium of exchange for small values. In Siam about 220 are reckoned equal to 1 penny sterling, which corresponds closely to the general rating of the bat or tical at 2s. 6d. sterling. This is, however, more than the actual average value of the coin, which is 58.18 cents.

Small pewter and copper coins have been introduced as a substitute for the cowry shell. The pewter coins are called lot and at. They are small flat bits of pewter. Two lots equal 1 at. The copper coin 2 ats, about the same size as the English halfpenny, only a little thicker, is called song peis. Two song peis equal 1 fuang. The fuang and salung are flat pieces of silver; simply weights of the metal. It is the same with the bat. The coin called bat or tical is a small bit of a silver bar bent and with the ends beaten together. It has two or three small stamps impressed upon it. The

weight of the bat or tical ranges between 212 and 236 grains troy and is generally taken at 236 grains (15.292 grams).

The fineness of the tical, as well as that of the fuang and salung, average 906.25, it is said. Taking the average weight of the tical or bat at 224 grains, the average fineness of the coin at 906.25 the metallic value may be computed at 2s. 3.4325d. sterling (at 60d. per ounce British standard silver). This corresponds closely to the rating of the tical by the merchants in the Siamese ports, where 7 ticals are reckoned equal to 4 Spanish piasters or dollars. The mint at Bangkok lately exchanged Mexican dollars against ticals at the rate of 5 ticals for 3 Mexican dollars. American silver dollars are also taken by the mint. They are weighed against Mexican dollars and then paid for at the above rate of 5 ticals for 3 Mexican dollars.

Exchange on Hongkong and Singapore is quoted in per cent premium or discount. If the quotations fall to 1 per cent or more discount Mexican dollars are being sent from China to Siam. Exchange on London is quoted in shillings and pence per 1 Mexican dollar. If payments are made in ticals it is at the rate of 5 ticals for 3 Mexican dollars.

SPAIN.

Spain employs the monetary system of the Latin Union. The silver peseta, equivalent to the franc, is the unit. It has the same gold and silver coins as the union, with a gold 25-peseta piece added. Gold and the 5-peseta silver piece are unlimited legal tender; divisional silver coins—i. e., all silver coins of less value than 5-francs—only to the amount of 50 pesetas.

The weight, fineness, etc., of the coins of Spain are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
100 pesetas.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
50 pesetas.....	16.1290	900	14.5161	248.9089	224.0180	9.6476
25 pesetas.....	8.0645	900	7.2580	124.4543	112.0089	4.8238
20 pesetas.....	6.4516	900	5.8064	99.5635	89.6072	3.8590
10 pesetas.....	3.2258	900	2.9032	49.7817	44.8036	1.9295
5 pesetas.....	1.6129	900	1.4516	24.8908	22.4018	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 pesetas.....	25.0000	900	22.5000	385.8080	347.2280	\$0.9352
2 pesetas.....	10.0000	835	8.3500	154.3235	128.8607	.3470
Peseta.....	5.0000	835	4.1750	77.1617	64.4300	.1735
50 centimos.....	2.5000	835	2.0875	38.5808	32.2150	.0867
20 centimos.....	1.0000	835	.8350	15.1323	12.8860	.0347

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.	<i>Grams.</i>		<i>Grains.</i>		
10 centimos..	10.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	154.3235	To the amount of 5 pesetas.	\$0.0192
5 centimos...	5.0000		77.1617		.0096
2 centimos...	2.0000		30.8647		.0038
1 centimo....	1.0000		15.4323		.0019

SWEDEN.

For general information as to the money of Sweden see Scandinavian Union, The.

The weight, fineness, etc., of the coins of Sweden are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 crowns.....	8.9606	900	8.0045	138.2831	124.4548	\$5.3598
10 crowns.....	4.4803	900	4.0322	69.1415	62.2274	2.6799
5 crowns.....	2.2415	900	2.0161	34.5707	31.1137	1.3389

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
2 crowns.....	15.0000	800	12.0000	231.4853	185.1882	\$0.4988
1 crown.....	7.5000	800	6.0000	115.7426	92.5941	.2494
50 ore.....	5.0000	600	3.0000	77.1617	46.2970	.1247
40 ore.....	4.0000	600	2.4000	61.7294	37.0376	.0997
25 ore.....	2.4200	600	1.4520	37.3463	22.4077	.0603
10 ore.....	1.4500	400	.5800	22.3760	8.9507	.0241

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.	<i>Grams.</i>		<i>Grains.</i>		
5 ore.....	8.0000	95 per cent copper, 4 per cent tin, and 1 per cent zinc.	123.4588	To the amount of 1 crown.	\$0.0133
2 ore.....	4.0000		61.7294		.0053
1 ore.....	2.0000		30.8647		.0026

SWITZERLAND.

For general information as to the money of Switzerland see Latin Union, The.

The weight, fineness, etc., of the coins of Switzerland are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
100 francs.....	32.2580	900	29.0322	497.8178	448.0360	\$19.2952
50 francs.....	16.1290	900	14.5161	248.9089	224.0180	9.6476
20 francs.....	6.4516	900	5.8061	99.5635	89.6072	3.8590
10 francs.....	3.2258	900	2.9032	49.7817	44.8036	1.9295
5 francs.....	1.6129	900	1.4516	24.8908	22.4018	.9047

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 francs.....	25.0000	900	22.5000	385.8089	347.2280	\$0.9352
2 francs.....	10.0000	835	8.3500	154.3235	128.8601	.3470
1 franc.....	5.0000	835	4.1250	77.1617	64.4300	.1735
50 centimes.....	2.5000	835	2.0875	38.5808	32.2150	.0867
20 centimes.....	1.0000	835	0.8350	15.4323	12.8860	.0347

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grams.</i>		<i>Grains.</i>		
20 centimes....	4.0000	Pure nickel.	61.7294	To the	\$0.0385
10 centimes....	3.0000	75 per cent cop-	46.2970	amount of	.0192
5 centimes....	2.0000	per and 25 per cent nickel.	30.8647	10 francs.	.0096
Bronze.					
2 centimes....	2.5000	95 per cent cop-	38.5807	To the	.0038
1 centime....	1.5000	per, 4 per cent tin, and 1 per cent zinc.	23.1485	amount of	.0019
				2 francs.	

TURKEY.

The monetary system of Turkey is bimetallic, with the piaster, equal to 40 paras 3 aspes, as the unit. The 100-piaster piece or gold medjidie is called the Turkish pound.

The weight, fineness, etc., of the coins of Turkey are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wtg.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 lira (500 piasters)...	36.0820	916	33.0751	556.8302	510.4277	\$21.9822
2½ lira (250 piasters)...	18.0410	916	16.5375	278.4151	255.2138	10.9911
Lire (100 piasters)...	7.2164	916	6.6150	111.3660	102.0855	4.3964
½ lira (50 piasters)...	3.6082	916	3.3075	55.6830	51.0422	2.1982
¼ lira (25 piasters)...	1.8041	916	1.6537	27.8415	25.5213	1.0991

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
20 piasters.....	24.0550	830	19.9656	371.2253	308.1170	\$0.8299
10 piasters.....	12.0275	830	9.9828	185.6126	154.0585	.4149
5 piasters.....	6.0137	830	4.9914	92.8063	77.0292	.2074
2 piasters.....	2.4055	830	1.9965	37.1225	30.8117	.0829
Piaster	1.2027	830	.9982	18.5612	15.4058	.0414
½ piaster (20 paras)..	.6013	830	.4991	9.2806	7.7029	.0207

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Bronze.					
	<i>Grams.</i>		<i>Grains.</i>		
1 piaster (40 paras)	21.3860	Fine copper.	330.0363	.....	\$0.0043
½ piaster (20 paras)	10.6930		165.0181	.....	.0021
¼ piaster (10 paras)	5.3470	95 per cent cop- per, 3 per cent tin, 1½ per cent lead, and	82.5090	.....	.0010
⅛ piaster (5 paras)	2.6730		41.2545	.....	.0005
1-40 piaster (1 para) .....	.5346	½ per cent zinc.	8.2501	.....	.0001

UNITED STATES.

In 1786 the Congress of the Confederation chose as the monetary unit of the United States the dollar of 375.64 grains of pure silver. This unit had its origin in the Spanish piaster or milled dollar, which constituted the basis of the metallic circulation of the English colonies in America. It was not coined, there being at that time no mint in the United States.

The act of April 2, 1792, established the first monetary system of the United States. The basis of the system was: The gold dollar, containing 24.75 grains of pure gold, and stamped in pieces of \$10, \$5 and \$2.50, denominated, respectively, eagles, half-eagles and quarter-eagles; the silver dollar, containing 371.25 grains of pure silver. A mint was established. The coinage was unlimited and there was no mint charge. The ratio of gold to silver in coinage was 1 to 15. Both gold and silver were legal tender. The standard was double.

The act of 1792 undervalued gold, which was therefore exported. The act of June 28, 1834, was passed to remedy this by changing the mint ratio between metals to 1 to 16.002. This latter act fixed the weight of the gold dollar at 25.8 grains, but lowered the fineness from 0.916 2-3 to 0.899225. The fine weight of the gold dollar was thus reduced to 23.2 grains. The act of 1834 undervalued silver, as that of 1792 had undervalued gold, and silver

was attracted to Europe by the more favorable ratio of 1 to 15 1-2. The act of January 18, 1837, was passed to make the fineness of the gold and silver coins uniform. The legal weight of the gold dollar was fixed at 25.8 grains, and its fine weight at 23.22 grains. The fineness was, therefore, changed by this act to .900 and the ratio to 1 to 15.988+.

Silver continued to be exported. The act of February 21, 1853, reduced the weight of the silver coins of a denomination less than \$1, which the acts of 1792, 1834 and 1837 had made exactly proportional to the weight of the silver dollar, and provided that they should be legal tender to the amount of only \$5. Under the acts of 1792, 1834 and 1837 they had been full legal tender. By the act of 1853 the legal weight of the half-dollar was reduced to 192 grains and that of the other fractions of the dollar in proportion. The coinage of the fractional parts of the dollar was reserved to the government.

The act of February 12, 1873, provided that the unit of value of the United States should be the gold dollar of the standard weight of 25.8 grains, and that there should be coined besides the following gold coins: A quarter eagle or 2 1-2-dollar piece; a 3-dollar piece; a half-eagle or 5-dollar piece; an eagle or 10-dollar piece; and a double-eagle or 20-dollar piece, all of a standard weight proportional to that of the dollar piece. These coins were made legal tender in all payments at their nominal value when not below the standard weight and limit of tolerance provided in the act for the single piece and when reduced in weight were to be legal tender at a valuation in proportion to their actual weight. The silver coins provided for by the act were a trade dollar, a half-dollar or 50-cent piece, a quarter-dollar and a 10-cent piece; the weight of the trade dollar to be 420 grains troy; the half-dollar 12 1-2 grams; the quarter-dollar and the dime, respectively, one-half and one-fifth of the weight of the half-dollar. The silver coins were made legal tender at their nominal value for any amount not exceeding \$5 in any one payment. The charge for converting standard gold bullion into coin was fixed at 1-5 of 1 per cent. Owners of silver bullion were allowed to deposit it at any mint of the United States to be formed into bars or into trade dollars and no deposit of silver for other coinage was to be received.

Section II of the joint resolution of July 22, 1876, recited that the trade dollar should not thereafter be legal tender and that the Secretary of the Treasury should be authorized to limit the coinage of the same to an amount sufficient to meet the export demand for it. The act of March 3, 1887, retired the trade dollar and prohibited its coinage; that of September 26, 1890, discontinued the coinage of the 1-dollar and 3-dollar gold pieces.

The act of February 28, 1878, directed the coinage of silver dollars of the weight of 412 1-2 grains troy, of standard silver, as provided in the act of January 18, 1837, and that such coins, with all silver coins theretofore coined, should be legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stipulated in the contract.

The Secretary of the Treasury was authorized and directed by the first section of the act to purchase from time to time silver bullion at the market

price thereof, not less than \$2,000,000 worth nor more than \$4,000,000 worth per month, and to cause the same to be coined monthly, as fast as purchased, into such dollars. A subsequent act, that of July 14, 1890, enacted that the Secretary of the Treasury should purchase silver bullion to the aggregate amount of 4,500,000 ounces, or so much thereof as might be offered, each month, at the market price thereof, not exceeding \$1 for 371.25 grains of pure silver, and to issue in payment therefor Treasury notes of the United States, such notes to be redeemable by the government, on demand, in coin, and to be legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract. The act directed the Secretary of the Treasury to coin each month 2,000,000 ounces of the silver bullion purchased under the provisions of the act into standard silver dollars until the 1st day of July, 1891, and thereafter as much as might be necessary to provide for the redemption of the Treasury notes issued under the act. The purchasing clause of the act of July 14, 1890, was repealed by the act of November 1, 1893.

The act of June 9, 1879, made the subsidiary silver coins of the United States legal tender to the amount of \$10. The minor coins are legal tender to the amount of 25 cents.

The weight, fineness, etc., of the coins of the United States are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Value.
	<i>Grains.</i>	<i>1,000ths</i>	<i>Grains.</i>	
Double eagle (\$20).....	516.0000	900	464.4000	\$20.00
Eagle (\$10).....	258.0000	900	232.2000	10.00
Half eagle (\$5).....	129.0000	900	116.1000	5.00
Quarter eagle (\$2.50).....	64.5000	900	58.0500	2.50
One dollar (no longer coined).....	25.8000	900	23.2200	1.00

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wgt.	Value.
	<i>Grains.</i>	<i>1,000ths</i>	<i>Grains.</i>	
Dollar.....	412.5000	900	371.2500	\$1.00
Half dollar.....	192.9000	900	173.6100	.50
Quarter dollar.....	96.4500	900	86.8050	.25
Dime.....	38.5800	900	34.7220	.10

MINOR COINS.

Denomination.	Weight.	Composition.	Weight.	Legal tender.	Value.
Nickel.	<i>Grains.</i>		<i>Grains.</i>		
5 cents.....	.....	75 per cent copper and 25 per cent nickel.	77.1600	To the amount of 25 cents.	\$0.0500
Bronze.					
1 cent.....	.....	95 per cent copper, 3 per cent tin, and 2 per cent zinc.	48.0000		.0100

The following table shows the authority for coining and for changing the weight and fineness of the coins of the United States:

Denomination.	Act authorizing coinage or change in weight or fineness.	Weight (grains).	Fineness.	Act discontinuing coinage.
Gold coins.				
Double eagle (\$20)...	March 3, 1849...	516	.900	.....
Eagle (\$10).....	April 2, 1792....	270	.916 $\frac{2}{3}$	.....
	June 28, 1834....	258	.899225	.....
	January 18, 1837.	.....	.900	.....
Half eagle (\$5).....	April 2, 1792....	135	.916 $\frac{2}{3}$	.....
	June 28, 1834....	129	.899225	.....
	January 18, 1837.	.....	.900	.....
Quarter eagle (\$2.50)	April 2, 1792....	67.5	.916 $\frac{2}{3}$	.....
	June 28, 1834....	64.5	.899225	.....
	January 18, 1837.	.....	.900	.....
Three-dollar piece....	February 21, 1853.	77.4	.900	Sept. 26, 1890...
One dollar.....	March 3, 1849....	25.8	.900	Sept. 26, 1890...
Silver coins.				
Dollar	April 2, 1792....	416	.8924	.....
	January 18, 1837.	412 $\frac{1}{2}$	.900	February 12, 1873
	February 28, 1878.	.....	.....	.....
	July 14, 1890....	.....	.....	.....
Trade dollar.....	February 12, 1873.	420	.900	March 3, 1887.
Lafayette dollar.....	March 3, 1899....	412 $\frac{1}{2}$	.900	.....
Half dollar.....	April 2, 1792....	208	.8924	.....
	January 18, 1837.	206 $\frac{3}{4}$	.900	.....
	February 21, 1853.	192	.....	.....
	February 12, 1873.	192.9	.....	.....
Columbian half dollar	August 5, 1892....	192.9	.900	.....
Quarter dollar.....	April 2, 1792....	104	.8924	.....
	January 18, 1837.	103 $\frac{1}{8}$	.900	.....
	February 21, 1853.	96	.....	.....
	February 12, 1873.	96.45	.....	.....
Columbian quarter	.....	.....	.....	.....
dollar.....	March 3, 1893....	96.45	.900	.....
Twenty-cent piece....	March 3, 1875....	77.16	.900	May 2, 1878.
Dime	April 2, 1792....	41.6	.8924	.....
	January 18, 1837.	41 $\frac{1}{4}$	.900	.....
	February 21, 1853.	38.4	.....	.....
	February 12, 1873.	38.58	.....	.....
Half dime	April 2, 1792....	20.8	.8924	.....
	January 18, 1837.	20 $\frac{5}{8}$	.900	.....
	February 21, 1853.	19.2	.....	February 12, 1873
Three-cent piece....	March 3, 1851....	12 $\frac{3}{4}$	.750	.....
	March 3, 1853....	11.52	.900	February 12, 1873
Minor coins.				
Five-cent (nickel)...	May 16, 1866....	77.16	(a)	.....
Three-cent (nickel)...	March 3, 1865....	30	(a)	Sept. 26, 1890...
Two-cent (bronze)...	April 22, 1864....	96	(b)	February 12, 1873
Cent (copper).....	April 2, 1792....	264	.....	.....
	January 14, 1793.	208	.....	.....
	Jan. 26, 1796 (c)	168	.....	February 21, 1857
Cent (nickel).....	February 21, 1857.	72	(d)	April 22, 1864.
Cent (bronze).....	April 22, 1864....	48	(b)	.....
Half cent (copper)...	April 2, 1792....	132	.....	.....
	January 14, 1793.	104	.....	.....
	Jan. 26, 1796 (c)	84	.....	February 21, 1857

Notes to table on preceding page.

- (a) Composed of 75 per cent copper and 25 per cent nickel.
 (b) Composed of 95 per cent copper and 5 per cent tin and zinc.
 (c) By proclamation of the President, in conformity with act of March 3, 1795.
 (d) Composed of 88 per cent copper and 12 per cent nickel.

URUGUAY.

This country has the single gold standard. The unit is the gold peso of 1.697 grams, .916 2-3 fine, its value being \$1.08.04. The silver peso is of 25 grams .900 fine and is therefore equal to the French silver 5-franc piece. Smaller coins are exact subdivisions and are of the denominations of 50, 20 and 10 centesimos. United States, British and some other European gold coins circulate.

VENEZUELA.

The unit is the silver venezolano or peso, divided into 100 centavos.

The ratio of gold to silver is 1 to 15 1-2. The only difference between the French monetary system and that of Venezuela is that whereas the French 5-franc piece is unlimited legal tender the 5-bolivar piece or venezolano is legal tender only to the amount of 500 bolivars or about \$100 in United States gold coin. In this respect Venezuela is more like a single gold standard country. It is, however, generally classed as a double standard country.

The weight, fineness, etc., of the coins of Venezuela are as follows:

GOLD.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure gold con- tained.	Value in United States gold coin.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
100 bolivars.....	32.2580	900	20.0322	497.8178	448.0360	\$19.2952
50 bolivars.....	16.1290	900	14.5161	248.9080	224.0180	9.6476
20 bolivars.....	6.4516	900	5.8064	99.5035	89.6072	3.8590
10 bolivars.....	3.2258	900	2.9032	49.7817	44.8036	1.9293
5 bolivars.....	1.6129	900	1.4516	24.8908	22.4018	.9647

SILVER.

Denomination.	Weight.	Fine- ness.	Fine wt.	Weight.	Pure silver con- tained.	Value com- pared with silver in United States silver dollar.
	<i>Grams.</i>	<i>1,000ths</i>	<i>Grams.</i>	<i>Grains.</i>	<i>Grains.</i>	
5 bolivars.....	25.0000	900	22.5000	385.8080	347.2280	\$0.9352
2 bolivars.....	10.0000	835	8.3500	154.3235	128.8601	.3470
Bolivar	5.0000	835	4.1750	77.1617	64.4300	.1735
Half bolivar.....	2.5000	835	2.0875	38.5808	32.2150	.0867
Fifth bolivar.....	1.0000	835	.8350	15.4323	12.8860	.0347

Money to move the crops. This term means the money employed to pay for the crops when they are taken out of the hands of the farmers and sent to the general markets.

At the seasons of the year when the grain and cotton crops are ready for sale large amounts of money are usually shipped from the great money centres to the districts where the crops are raised. When the farmers (and planters, as growers of cotton are called) have been paid for their products and they in turn pay off their own debts or make purchases which have been postponed until the receipt of the money or when they deposit the money in the local banks it begins to flow back to the money markets, where it finds employment and earns interest until needed to move the next crops.

The movement of money from New York and other Eastern financial centres to the great grain producing regions of the West, Northwest and Southwest and to the cotton producing regions of the South and Southwest is an important annual occurrence. It usually begins the latter part of August and continues until the fore part of November and it is not until December that it begins, in any volume, to return to New York and the other Eastern financial centres.

There is, in the first place, a need for money by the farmers who grow grain and by the planters who grow cotton to pay their hands; but the large need for money is to pay the farmers for their grain and the planters for their cotton. The farmers and the planters borrow from their local banks to pay their hands and the shippers who buy from the farmers and planters also borrow from the local banks to make payment to the farmers and the planters.

The local banks send to the banks in New York and elsewhere in the East for money. The local banks may have balances to their credit in the New York and Eastern banks, in which case they obtain money that belongs to them. Often they rediscount paper (promissory notes and drafts) with the New York and Eastern banks—that is, they resell paper which they themselves had bought and thus obtain money. The local banks may obtain money from banks in large cities near at home in the West and South, but in such a case the banks from which they obtain money turn to the New York and other Eastern banks to replenish their own supplies so that the re-

sult is the same as if the local banks had themselves obtained the money direct from the New York and Eastern banks.

The effect is to denude New York and other Eastern centres of money. The banks in these centres have to deny their regular borrowers, or at least curtail the accommodation extended to them, and in addition they have to demand the return of call money (money loaned for an indefinite period, which is subject to return on the demand of the lender). The result is a scarcity of money for general business and also for speculative operations. Naturally rates advance and both business and speculation are restricted.

Most of the money sent from New York to the West and South is forwarded in three ways. One way is for a bank in New York to deposit money in the Sub-Treasury in New York which orders by telegraph the Sub-Treasury in Chicago or New Orleans to pay it out to the banks for which it is intended. (Each order for the transfer of money is first sent to the Treasury in Washington and is then repeated to the Sub-Treasury which is to make payment). Another way is to forward the money by express and a third way is to send by registered mail. The larger part of the money is perhaps forwarded by express. The methods of forwarding money from other Eastern centres are the same except that it cannot be transferred through Sub-Treasuries from points where there are not Sub-Treasuries.

The chief requirement in moving the crops is for money of small denominations and the consequence in some years has been almost a famine in small bills (money of small denominations) in New York and elsewhere in the East.

When money begins to return from the West and South a relaxation in money ensues at New York and the other Eastern centres.

Monometalism. Exists in a country when the currency of the country is based on a single metal, as either gold or silver.

Month. In business a month is usually considered as consisting of 30 days.

In time loans (loans running for a specified time) 30 days are counted as a month. In call loans, however, interest is calculated for the number of days they actually run.

In dealing in futures (contracts maturing in the future)

in grain, cotton, coffee, etc., it is the practise to designate the contracts by the names of the months in which they mature. Thus, wheat sold for delivery in January is called January wheat; cotton sold for delivery in July is called July cotton, and so on.

Monthly crop report. See Government crop report; also see Weather-crop report.

Moratorium. An emergency act of legislation authorizing a government bank to suspend or defer specie payments for a given period. The term also is loosely applied to an edict by a government permitting a delay for a specified period in the payment of public, corporate or even private debts.

Mortgage. A mortgage is a lien or a conveyance for the security of a debt, which becomes void upon the payment of the debt. For additional information see Bond.

Mortgage deed. A deed held as a mortgage.

Mortgagee. The grantee under a mortgage; the one to whom the mortgage is executed.

Mortgagor. The one who mortgages property.

Motive power. The motive power of a railroad consists of its locomotives.

Movable exchange. If foreign exchange is quoted and also is payable in the money of the country where collection is to be made it is called movable exchange. For instance, exchange on Paris is quoted in francs in New York and is therefore movable exchange. The dollar is the basis and the franc fluctuates instead of the dollar in which it is reckoned.

The opposite of movable exchange is fixed exchange; see Fixed exchange.

Movement of gold. The export and import movement of gold. See Gold exports and imports.

Moving the crops. Taking them out of the hands of the farmers and sending them to general markets. For additional information see Money to move the crops.

MTG. As printed on the tape by the stock ticker these letters mean mortgage, as first mortgage bonds, second mortgage bonds, etc.

Municipal bonds. Those issued by a borough, town or city possessed of a charter of incorporation conferring privileges of local self-government.

Mutual deposits on a contract. In any contract on an exchange either broker party to it may call at any time during the continuance of it for a mutual deposit (a deposit by both) of (usually) 10 per cent. If the market price of the security or commodity covered by the contract changes so as to reduce the margin of either party below 5 per cent the other party may demand a restoration of the impaired margin to 10 per cent. This demand may be repeated as often as the margin is reduced.

Mutual savings bank. A mutual savings bank is one conducted wholly for the benefit of the depositors, who receive in the form of interest all profits over and above necessary expenses and a moderate part of the profits set aside in a surplus fund to provide for unexpected losses or contingencies.

N

N. As printed on the tape by the stock ticker this letter means new or north.

Name. London Stock Exchange term; a memorandum issued by a purchasing broker giving the name, address and description of his client to whom the stock bought is to be transferred. See Name day.

Name day. Same as ticket day; the third day of the fortnightly settlement on the London Stock Exchange, when the purchasing broker (as distinguished from the jobber) passes (hands) to the jobber who made the sale a ticket (memorandum) bearing the name, address and description of the person to whom the stock is to be transferred and also stating the name of the stock exchange firm which will pay for the stock on delivery. The ticket is passed on until it arrives in the hands of the broker who originally sold the stock, who is thus enabled to draw up the transfer deed (as the certificate of

transfer or assignment is called) and deliver it to the actual buyer. See *Passing a name*.

Naming a price. The commoner expression is making a price; see *Making a price*.

Napoleon. A colloquial name for the 20-franc gold piece of France, equal to \$3,85.90; the name is derived from a corresponding coin that was issued under the empire.

National bank. A bank deriving its authority to do business from the Federal government; its charter is obtained from the Comptroller of the Currency.

The present national banking system was the outcome of the financial requirements of the government in the Civil War, when it was found necessary to create a market for United States bonds. Most of the state banks had suspended specie payments and it was difficult for the government to borrow money.

The National bank act was passed on February 25, 1863, and was radically amended in the following year. It provided for the incorporation of banks under Federal supervision with a minimum capital of \$50,000. The life of each institution was limited to 20 years and it was permitted to use the word "national" as part of its title, while other banks were prohibited from using the word. Each bank was compelled to invest at least \$30,000 of its capital in United States bonds, in consideration of which it was privileged, by depositing the bonds with the Treasurer of the United States, to issue circulating notes (known as national bank notes) to an amount equal to 90 per cent of the par value of the bonds so deposited.

In practise the operation of the law was so slow that the government derived little immediate benefit from the sale of bonds for note security, the total amount taken for that purpose up to April, 1865, being, in round numbers, only \$100,000,000. Other and great benefits did arise, however, in the unification of the banking system and the establishment of a careful and exacting government supervision. As soon as the first difficulties of administration had been overcome banks began to come in rapidly and by the close of 1865 over 1,500 charters had been granted—more than the total number of all banks in operation in the United States three years before.

Since then the growth of the system has been steady and the operation of the law on the whole satisfactory. From time to time amendments have been made to the law as imperfections and inadequacies developed. By the gold standard act of March 14, 1900, the minimum authorized capital for national banks was reduced to \$25,000 and permission was given to issue circulating notes to the par value of the bonds deposited for security.

The weakest point in the system has always been that relating to the issue of circulating notes. The high prices at which United States bonds have sold and the taxes and other expenses attached to the issuing of the notes all combined to make the operation nearly profitless. In fact many banks made the required deposit of bonds without taking out circulation rather than go through all the labor involved for a nominal profit. The gradual extinction of the public debt has also operated to contract bank circulation and will eventually extinguish it unless authority is given to the banks to issue currency against their general assets. Some of the plans advanced for attaining this end will be found under the head *Asset currency*.

The places in which national banks are situated are divided into three classes—places that are not reserve cities, reserve cities and central reserve cities. Places that are not reserve cities comprise the greater number. National banks in these places are unofficially designated as country banks and are required to maintain in cash a reserve of (keep on hand) 15 per cent of the amount on deposit with them, three-fifths of which reserve may be deposited by them in banks in reserve or central reserve cities. Reserve cities are cities of more importance, at least as financial centres, than the places that are not reserve cities. National banks in reserve cities are designated as reserve banks and must maintain a reserve of 25 per cent of their deposits, one-half of which may be deposited in banks in central reserve cities. Central reserve cities are the chief financial centres, of which New York is foremost. National banks in these cities are designated as central reserve banks and must maintain a reserve of 25 per cent.

Reserve cities are Albany, Baltimore, Boston, Brooklyn, Cincinnati, Cleveland, Columbus, Denver, Des Moines, Detroit, Houston, Indianapolis, Kansas City, Kan., Kansas City, Mo., Lincoln, Los Angeles, Louisville, Milwaukee, Minneapolis, New Orleans, Omaha, Philadelphia, Pittsburg, Portland, Ore.; St. Joseph, St. Paul, San Francisco, Savannah, Washington. Central reserve cities are Chicago, New York, St. Louis.

Under the National bank act the maximum amount which a national bank may loan to any one person, firm or corporation is an amount equal to 10 per cent of its capital, but the discount of bills of exchange drawn against actual values and the discount of commercial or business paper actually owned by the person negotiating it is not considered as money borrowed.

For additional information see National bank act.

National bank act. Section 1 of the act of June 20, 1874, provides that the act entitled "An act to provide for a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof, approved June 3, 1864, shall be known as the 'National bank act.'"

Following are the main features of the National bank act, as amended, and of other laws relating to national banks:

The currency bureau in the Treasury Department is charged with the execution of laws relating to the issue and regulation of national currency (national bank notes). The chief officer of this bureau is the Comptroller of the Currency, who performs his duties under the general direction of the Secretary of the Treasury. He is appointed by the President; his term of office is five years, and his salary is \$5,000 a year. He is not permitted to have any interest in a national bank.

Any number of persons, not less than five, may organize a national bank, subject to the approval of the Comptroller of the Currency. The term of existence of a national bank is twenty years, but the term may be renewed for another twenty years as often as it expires. A capital of not less than \$200,000 is required in a city with a population exceeding 50,000; a capital of not less than \$100,000 is required in a city with a population between 6,000 and 50,000; a capital of not less than \$50,000 is required in a place with a population between 3,000

and 6,000, and a capital of not less than \$25,000 is required in a place with a population not exceeding 3,000. The stock must be in shares of \$100 each. A national bank must deposit with the Treasurer of the United States as security for its circulating notes an amount of United States registered bonds not less than one-fourth of its capital where the capital is \$150,000 or less and must deposit not less than \$50,000 in bonds where the capital is in excess of \$150,000.

Every director of a national bank must be the owner in his own name of at least ten shares of stock and one of the directors must be president of the board.

Any state bank may become a national bank and the shares of its capital stock may continue to be for the same amount as they were before its conversion into a national bank, but the capital cannot be for a less amount than prescribed for a bank organized under the National bank act. A converted state bank having branches may retain and keep in operation its branches.

For the contracts, debts and engagements of a national bank the stockholders are individually responsible to the extent of their holdings of stock at its par value in addition to the amount invested in the stock, except that shareholders of a converted state bank with a capital of not less than \$5,000,000 paid in and a surplus of 20 per cent on hand are liable only to the amount of their shares.

A national bank is entitled to receive from the Comptroller of the Currency and issue circulating notes equal in amount to the par value of United States bonds deposited with the Treasurer. The amount of such notes, however, cannot exceed the amount of the bank's capital. The bank must keep on deposit with the Treasurer an amount of lawful money equal to 5 per cent of its circulation (circulating notes) for the redemption of its notes. On the retirement (withdrawal) by a bank of any part of its circulation United States bonds for an equal amount on deposit with the Treasurer are restored to it, except that the amount of bonds deposited to secure circulation cannot be reduced below the amount required to be deposited in accordance with its capital. Circulation is retired by depositing with the Treasurer an equal amount of lawful money for

its redemption. The Treasurer is not permitted to receive in any one calendar month more than \$3,000,000 in lawful money altogether for the retirement of circulation.

Circulating notes of national banks may be presented in sums of \$1,000 or multiples to the Treasurer of the United States for redemption. United States notes (greenbacks) are delivered in exchange for the bank notes.

A national bank pays in January and again in July a duty (tax) of 1-2 per cent on the average amount of its notes in circulation, except that the duty is only 1-4 per cent when the notes are secured by deposit of United States bonds which bear interest at only 2 per cent. The bank makes a report on December 1 and again on June 1 of the average amount of its notes in circulation in the preceding six months. A tax of 10 per cent is imposed on notes issued by a state bank or any bank not operating under the National bank act and on notes issued by an individual, firm or corporation. [The effect of this heavy tax is to prohibit the issuance of circulating notes except by national banks].

A national bank in a central reserve city must keep on hand in lawful money a reserve of 25 per cent (an amount equal to 25 per cent of its deposits); a national bank in a reserve city (as distinguished from a central reserve city) must keep on hand a reserve of 25 per cent, one-half of which may be on deposit in national banks in central reserve cities; a national bank that is not in a central reserve or reserve city must keep on hand a reserve of 15 per cent, three-fifths of which may be on deposit in national banks in central reserve or reserve cities.

Clearing house certificates representing specie or lawful money deposited may be counted in its reserve by a bank owning such certificates. The lawful money deposited with the Treasurer of the United States for the redemption of its notes (equal to 5 per cent of its outstanding notes) may be counted in its reserve. [A national bank cannot count in its reserve national bank notes whether they are its own notes or the notes of other national banks].

A city with a population of 50,000 may be made a reserve city by the Comptroller of the Currency on application by

three-fourths in number of the national banks in that city. A city with a population of 200,000 may in like manner be made a central reserve city.

The interest or discount rate of a national bank must not exceed the rate allowed by law in the state, territory or district in which it is located. Where no rate is fixed by law the bank's rate cannot exceed 7 per cent.

A national bank may declare a dividend semi-annually. Before declaring a dividend it must carry one-tenth of its net profits in the preceding half-year to its surplus fund until this fund amounts to 20 per cent of its capital stock.

The liability of a person, firm or corporation to a national bank for money borrowed must not exceed one-tenth of the bank's capital. But the discount of bills of exchange drawn in good faith against actual values and the discount of commercial or business paper actually owned by the person negotiating it is not considered as money borrowed.

A national bank cannot loan money on or purchase shares of its own stock.

A national bank must not pay out in dividends an amount in excess of its net earnings.

A debt due to a national bank on which interest is past due and unpaid for a period of six months, unless the debt is well secured and is in process of collection, is, under the law, a bad debt.

Impairment of the capital of a national bank must be made good by assessment pro rata on the shareholders within three months after notice to do so has been received from the Comptroller of the Currency.

A national bank must make to the Comptroller of the Currency in each year not less than five reports of its condition. Each report must be of the condition on a past day specified by the Comptroller and must be transmitted to the Comptroller within five days after the receipt of the request for it. The Comptroller has power to call for special reports.

Shares of the capital stock of a national bank are subject to state tax in the state where the bank is located, but the tax must not be at a greater rate than is imposed on other moneyed capital in the hands of individual citizens of the state; shares

owned by non-residents must be taxed in the place where the bank is located. The real property of a national bank is not exempt from state, county or municipal tax.

The Comptroller of the Currency, with the approval of the Secretary of the Treasury, may appoint national bank examiners, who have power to investigate the affairs of national banks and to examine the officers and agents of the banks on oath.

A bank not organized under the national currency laws or the National bank act cannot use the word "national" as part of its title, unless it be a savings bank authorized by Congress to use the word "national".

It is unlawful to imitate national bank notes for advertising purposes.

It is unlawful for an officer, clerk or agent of a national bank to certify a check unless the drawer of the check has on deposit in the bank at the time of certification an amount of money equal to the amount specified in the check. The penalty for false certification is a fine of not more than \$5,000 or imprisonment for not more than five years or both. False certification also gives to the Comptroller of the Currency power to appoint a receiver for the bank. [The prohibition of false certification, or overcertification as it is commonly called, is frequently disregarded].

A national bank may be designated by the Secretary of the Treasury as a depository of public money, except receipts from customs, under such regulations as may be prescribed by the Secretary; it may also be employed as financial agent by the government. The bank must give satisfactory security, by the deposit of United States bonds and otherwise, for the safe keeping and prompt payment of the public money deposited with it, and for the faithful performance of its duties as financial agent of the government.

National bank examiner. Appointed by the Comptroller of the Currency, with the approval of the Treasurer of the United States. Charges for his services or work are assessed by the Comptroller upon the banks examined.

There is no statute which makes a national bank examiner liable for losses suffered by reason of an embezzlement which he failed to discover.

National bank note. A note (money) issued by a national bank. National bank notes are in denominations of \$5, \$10, \$20, \$50, \$100, \$500, \$1,000. Among banks these notes are commonly designated as circulation to distinguish them from currency (money issued by the government).

National banks can issue only notes furnished by the Federal government. Since specie payments were resumed no bank has been furnished with notes of a smaller denomination than \$5. A tax of 1 per cent per annum, determined semi-annually, is imposed by the government on national bank notes; when, however, the notes are secured by government bonds bearing interest at only 2 per cent the tax is only 1-2 per cent per annum.

National bank notes are a legal tender to any and all national banks and also to the government, except for duties on imports, and they are tenderable by the government for all debts except interest on its bonds. They are redeemable in 'lawful money' or legal tender.

To secure these notes the banks issuing them have to deposit a corresponding amount of government bonds with the Treasurer of the United States. In addition they are required to maintain with the Treasurer a fund equal to 5 per cent of their note issues for the redemption of such notes as may be presented to the Treasurer. This 5 per cent may be counted by the banks in their reserves.

A national bank cannot count national bank notes in its reserve. Whether it holds its own notes or the notes of other banks makes no difference; accordingly it is the rule of banks to pay out national bank notes ahead of other kinds of money.

When a national bank desires to retire its circulation (its notes) it deposits with the Treasury money to the amount of the circulation to be retired. The Treasury then assumes the obligation of redeeming the notes. Some of them will be sent in for redemption because they are worn or mutilated and those which are received by other national banks will be sent in to be exchanged for some form of legal tender money which the bank can include, that is, count, in its reserve. Upon the deposit of money by a bank to redeem its circulation the United States bonds held by the Treasurer to secure the circu-

lation are reassigned to it. Redeemed circulation is destroyed.

A national bank which is winding up must deposit money with the Treasurer of the United States to redeem its outstanding circulation, except when winding up for the purpose of consolidating with another bank; in such a case, however, its assets and liabilities must be reported by the bank with which it is in process of consolidation.

National bank report. Five reports a year are required to be mailed to the Comptroller of the Currency by each national bank, verified under oath by the president and cashier and attested by at least three directors, giving in detail the resources and liabilities of the bank on any day specified by the Comptroller. When the Comptroller calls for a report it is always for a report of the condition of the bank on a past day and not on a future day. The report must be mailed to the Comptroller within five days after request is made for it.

National bank tax. The government levies an annual tax of 1 per cent on the circulation of a national bank (the tax is only 1-2 per cent when the circulation is secured by deposit of government bonds bearing interest at only 2 per cent). The tax is collected semi-annually (January and July) and is based on the average amount of circulation. The shares of a national bank are subject to a state tax and its real property is subject to state, county or municipal tax.

National currency. Another name for national bank notes; see National bank note.

National debt. Same as public debt; the debt due from a nation to individual creditors.

The national debt of the United States consists of bonds, United States notes (greenbacks), old demand notes (notes issued prior to the present United States notes), national bank notes for the redemption of which money has been deposited by the issuing banks, fractional currency, gold certificates, silver certificates and Treasury notes (issued for the purchase of silver bullion).

National gold bank. National gold banks were authorized by the bank act of 1864 (for the Pacific slope), their notes to be payable in gold and none to be issued of a denomination less than \$5. The issuance of notes was limited to 80 per cent of

the par value of government bonds deposited in the Treasury of the United States. The act of February 14, 1880, provided for the conversion of these banks into regular national banks.

National loan. An issue of bonds by a government.

NB. As printed on the tape by the stock ticker these letters mean new bonds.

Negotiable. That which may be transferred by mere delivery or by assignment.

Negotiable instrument. An instrument that may be negotiated; specifically, in law, an instrument transferable by assignment, indorsement or delivery.

There are but three forms of negotiable instruments in common use, viz: Check, bill of exchange (draft) and promissory note.

An instrument to be negotiable must contain an unconditional promise or order to pay a certain sum in money; must be payable on demand or at a fixed or determinable future time; must be payable to order or to bearer; and when the instrument is addressed to a drawee he must be named or indicated therein with a reasonable certainty.

An instrument which contains an order or promise to do any act in addition to the payment of money is not negotiable. But the negotiable character of an instrument is not affected by a provision which authorizes the sale of collateral securities in case of failure to pay at maturity or authorizes a confession of judgment if not paid at maturity or waives the benefit of any law intended for the advantage or protection of the obligor (the one upon whom the obligation to pay rests) or gives the holder the privilege of requiring something to be done in lieu of payment of money.

The validity and negotiable character of an instrument are not affected by the fact that it is not dated or does not specify the value given or that any value has been given or does not specify the place where drawn or where payable or bears a seal or designates a particular kind of current money in which payment is to be made.

The maker or drawer or the payee or drawee (the one who is to pay) and the acceptor may be the same person and if that person indorses the instrument and puts it in circulation it becomes a negotiable instrument.

A negotiable instrument can be enforced for its full amount against the maker or acceptor regardless of any offsetting claim.

If the amount stated in words and the amount stated in figures do not agree the words govern.

A time instrument falling due on Sunday or a holiday (including Saturday where Saturday is a half-holiday) is payable on the next business day. An instrument payable on demand is payable during business hours on a Saturday half-holiday.

Also see Non-negotiable instrument.

Net. Clear of all charges or deductions, as actual profit or actual loss. The net earnings of a stock company are the earnings left after deducting expenses.

Brokers in the outside or curb market in stocks often take an order net, which means that the customer will deliver or receive the stock, as the case may be, at a fixed price. The broker receives no commission but is allowed to make as much on the transaction for himself as he can.

Net cash. The term "net cash," in its original meaning, calls for payment upon delivery of the goods. In many markets sellers have fallen into the habit of allowing to buyers for cash 10 or some other definite number of days, so that "cash" is interpreted to mean payment at any time within that number of days. Thus, it has become necessary to invent another term for what "cash" formerly meant and "net cash" or "spot cash" is employed for this purpose.

"Cash" with or without the accompanying adjective "net" or "spot" means prompt payment upon delivery unless the parties to the contract have been in the habit of interpreting it in some other sense in their dealings with each other or unless the common market usage has imparted to it another meaning; then, some other word must be found to signify prompt payment.

Net earnings. Earnings which remain after expenses necessary to secure total or gross earnings have been deducted.

Net gold. Same as free gold; the amount of gold held in the Treasury of the United States in excess of the sum required to redeem gold certificates outstanding. Net gold includes the \$150,000,000 gold reserve.

Net income. Income which remains after expenses and charges of all kinds have been deducted.

Net price. The price after deduction of all discounts or allowances.

Net profit. What is left after all expenses have been deducted.

Net weight. The weight after allowance for or removal of extraneous matter, as the weight of material after its removal from the receptacle which contained it.

New account. On the London Stock Exchange the new account begins on the first day of the settlement. On this day dealings are either for money (immediate settlement) or for the account, that is to say, for the next settlement. (See *For the account*). On other days for the new account means for the account following the **current account**.

New Tennessee. An exclamation used by the brokers when a new member first appears on the New York Stock Exchange as a signal for his "initiation," which consists in hazing him. The exclamation also is used to direct attention to the presence of a stranger on the exchange.

The term "New Tennessee" originated in the refunding in 1883 by the state of Tennessee of its old defaulted bonds. New bonds were given for the old ones, but for considerably less than the face value of the old bonds, and the rate of interest on the new bonds also was less than the rate on the old ones. The conditions of exchange of the old bonds for the new ones were unsatisfactory and "New Tennessee," the abbreviation for the new bonds of the state of Tennessee, became a term of derision. It soon became the practise to shout it out when a new member of the exchange made his first appearance on the floor or when a stranger eluded the vigilance of the door-keepers and wandered upon the floor.

The corresponding expression on the London Stock Exchange is fourteen hundred; see *Fourteen hundred*.

New York Clearing House Association. The official title of the organization under which the associated banks of New York conduct daily clearings.

The association was organized September 13, 1853, and clearings were begun on October 11 in the basement of No. 14 Wall street. The first day's clearings amounted to \$22,648,-

109.87 and the balances to \$1,290,572.38. The number of banks making clearings was 52. The first manager was George D. Lyman, who had been a teller in the Bank of North America. The association now owns and makes its clearings (or exchanges) in a handsome white marble building Nos. 79 to 83 Cedar street.

For an explanation of the method of making clearings (or exchanges) and settling balances see Clearing house of the associated banks of New York.

New York Produce Exchange. The place in New York where dealings in grain, provisions, etc., are extensively conducted.

New York Stock Exchange. The New York Stock Exchange is an unincorporated, voluntary association and while it is not a corporation neither is it a partnership. It exists, however, under a written constitution and by-laws. Neither the constitution of the New York Stock Exchange nor the rules and regulations of the London Stock Exchange in express terms state the object for which those bodies were organized, but they are so manifest that a statement of them has not been deemed essential.

The New York Stock Exchange had its origin in an agreement dated May 17, 1792, by "Brokers for the Purchase and Sale of Public Stock." By public stock was meant government securities; in other words, government bonds. At that time the brokers met and did business under a buttonwood tree that stood in front of the dividing line between the present Nos. 68 and 70 Wall street. In 1817 a constitution was adopted under the name "New York Stock and Exchange Board." On January 29, 1863, the present name, "New York Stock Exchange," was adopted.

The membership of the New York Stock Exchange is limited to 1,100. The admission fee is \$2,000, but this is in addition to the cost of a membership itself which depends on the "state of the market" for seats, as memberships are called. A membership is obtained by buying the seat of a retiring, deceased or expelled member. A member is elected for life or until he resigns or is expelled.

Expulsion from the exchange forfeits membership, but not the proceeds of it. Temporary insolvency involves suspension.

Permanent insolvency involves loss of membership and the proceeds of the membership are applied to the payment of the claims of creditors who are members of the exchange. If there is a surplus it goes to the member or to his assignee if he has been declared a bankrupt.

When a member dies his seat may be disposed of by the committee on admissions and the proceeds delivered to his executor or the administrator of his estate.

New York Stock Exchange clearing house. The place where the differences in the accounts of brokers on the New York Stock Exchange are settled.

Before the establishment of the clearing house a broker who had made sales of stocks was obliged to send the stocks to the offices of the various purchasers and collect payment from them. At the same time brokers from whom he had bought stocks were obliged to send the stocks to his office and collect payment from him. A broker may have made sales to the amount of \$500,000 and purchases to the amount of \$475,000. He was compelled to make collections and payments for the full amounts, whereas under a clearing house plan he might have settled all the transactions in one operation and by the payment of only the difference of \$25,000.

Now, a broker at the end of each day makes up a sheet called a clearing house sheet, containing his purchases and sales. On one side of the sheet (the left hand side) the broker puts down his purchases, each purchase having a line for itself. In each transaction the name of the broker from whom the purchase was made comes first and then in order follow the number of shares, the name of the stock, the price at which purchased, and finally, the amount in dollars of the purchase. This side of the sheet is headed "Received from," meaning that the broker has contracted to receive the stocks enumerated.

The other side of the sheet (the right hand side) contains the list of stocks sold (made out in the same order as the list of stocks bought) and this side of the sheet is headed "Delivered to," meaning that the broker has contracted to deliver the stocks enumerated.

If his purchases amount in money to more than his sales he accompanies his sheet with a check drawn on his own bank and payable to the clearing house bank (a bank in which the

clearing house account is kept). If his sales amount in money to more than his purchases he accompanies his sheet with a draft on the clearing house bank, which is accepted by the manager of the clearing house (made collectable by the indorsement of the manager). This draft is returned to the broker and is deposited by him in his own bank for collection in the ordinary course.

If the broker has bought more of any particular stock than he has sold or sold more than he has bought there is a stock difference (as well as a money difference) to be settled, but the settlement of this stock difference is provided for when the sheet is made up. If, for instance, the broker has bought 200 shares of a certain stock and has sold 100 shares he receives the difference or balance of stock, which is 100 shares. Some other broker who sold 100 shares more of the stock in question than he bought is directed by the manager of the clearing house to deliver this extra 100 shares to the first broker. The first broker credits himself on his sheet with the amount in money of the stock at the settling price while the second broker charges himself with the amount of it on his sheet.

The settling price is an arbitrary price fixed by the manager of the clearing house. Each day at the close of business the manager of the clearing house sends out through the ticker the settling prices for the various stocks for the use of brokers in making up their clearing house sheets. In their use in making up the sheets they are called making-up prices; in their use in making settlements they are called settling prices. These settling prices are the even prices next nearest to the last prices of the day. Thus, if the last price of a stock was 99 3-4 or 101 1-4 the settling price would be 100.

The broker who bought 200 shares may have bought them at 99 1-2 and the 100 which he sold may have been sold at 100 1-2. If the settling price was 100 he would put down the extra 100 shares due him in the sold column at 100 the same as if he actually had sold the stock at 100.

Then his account would figure out thus: Bought 200 at 99 1-2, which equals \$19,900; sold 100 at 100 1-2 and 100 at 100, which equals \$20,050. The difference is \$150, which the broker collects by draft on the clearing house. Had he not included the 100 shares at 100 he would have owed \$8,850. To the

broker who delivers the 100 shares to him at 100 he gives a check for \$10,000.

This particular part of the operation (the delivery of the stock and collection for it) is wholly outside of the clearing house. Deducting from this \$10,000 the \$150 received in the clearing house settlement his net payment is \$8,850, exactly what it would have been had he not included the 100 shares at 100 in the clearing house sheet.

No matter if a broker bought more stock than he sold or sold more than he bought or what the prices may be or how many stocks may be included in his sheet the system employed in clearing his sheet accomplishes its end. Inasmuch as the differences both in cash and stocks are provided for in the clearing house sheet there is, when the general settlement is concluded, no balance left of either cash or stock. There was, of course, as much of each stock sold as was bought, because there was a seller as well as a buyer at the same price in each individual transaction, and, accordingly, there was as much receivable in the aggregate as there was payable. Both sides of every account are bound to balance or equalize when the differences in stock and money are figured out and put down in the proper places.

The broker who is short of stocks in his sheet (who sold more than he bought) must borrow the stocks that he is short of for the deliveries which he is directed by the manager of the clearing house to make.

Not all the stocks that are dealt in on the New York Stock Exchange are cleared through the stock exchange clearing house. Only those on the clearing house list are cleared. The stocks on this list are the ones actively (largely) dealt in. If an inactive stock becomes active it is put on the list; if an active stock becomes inactive it is taken off the list.

Transactions in stocks not on the clearing house list are not reported to the clearing house at all. Settlements in these stocks are made between the brokers in the ordinary course of business. For another thing, only stocks bought and sold regular way (in the regular way) and at 3 are cleared.

Stocks bought and sold regular way are put on the clearing house sheet on the day they are bought and sold, but are deliverable on the following day. Stocks bought and sold at 3

are not deliverable until the third day after they are sold and are not put on the clearing house sheet until the second day after they are bought or sold; they are put on the clearing house sheet at the settling price on the second day.

Stocks bought and sold for cash or on option are not cleared. Also, only stocks in lots of 100 shares or multiples of 100 are cleared; fractional lots (lots of less than 100 shares) are excluded.

In settling differences on contracts in grain, cotton, coffee, etc., a similar plan is pursued.

NF. As printed on the tape by the stock ticker these letters mean non-fundable, as non-fundable bonds.

N. G. These letters are sometimes used as an abbreviation for no good or not good.

Ninety. A bill of exchange payable in 90 days is often called a ninety; plural, nineties.

No account. When a check is received by the bank upon which it is drawn and the drawer (issuer) has no account with the bank the words "No account" are stamped or written on it and it is rejected.

No funds. When a check is received by the bank upon which it is drawn and the drawer (issuer) has no funds to his credit with which to pay it the words "No funds" are stamped or written on it and it is rejected.

Nominal. Existing in name only. A nominal price is one named for convenience. It is an assumed price—a price assumed in the absence of an established or actual price.

Nominal assets. This term includes all assets, but it refers particularly to those assets that are of doubtful or no value.

Nominal damages. Damages adjudged in a trivial amount where a right has been invaded but no actual damage sustained.

Nominal partner. A person who is held out as a partner but as a fact has no interest in the business.

Nominal value. A value in name only; approximate value; estimated value.

Non-assented stock or bonds. Stock or bonds which the owners refuse to deposit under an agreement by which their status will be changed. For additional information see Readjustment.

Non-assessable stock. A stock that cannot be assessed.

Non-clearing house stocks. Stocks dealt in on the New York Stock Exchange which are not included in the list of stocks cleared at the stock exchange clearing house.

Non-cumulative stock. Stock on which dividends if not paid do not accumulate—that is, if dividends are not paid for a period they have not subsequently to be paid for the period when they were not declared.

Non-interest-bearing. Bearing or paying no interest. The money issued by the United States government, since the government pays no interest on it, is a non-interest-bearing obligation; the bonds issued by the United States government, since the government pays interest on them, are interest-bearing obligations.

Non-member bank. A bank that is not a member of a clearing house but clears through a bank that is a member.

Non-member bank statement. See Bank statement.

Non-negotiable instrument. A non-negotiable instrument is one where the payee has the right to set off or present in partial or entire liquidation of it a claim against the original owner of it or where there is a stipulation that payment of it shall or may be made in a representative of money (as a bill of exchange or draft or a check) or that payment shall or may be made in property.

Also see Negotiable instrument.

Non-value bill (of exchange). Same as accommodation bill (of exchange); a draft (bill of exchange) drawn against credit allowed to the drawer by the drawee (the one who pays the draft).

Also see Value bill (of exchange).

No protest. A draft or a promissory note so marked is not to be protested, or in other words, is not to go to protest if not paid; a draft or a promissory note so marked is not subject to the protest fee charged by the bank or other agent entrusted with its collection. An indorsed draft or promissory note is sometimes marked "No protest" so that demand shall not be made upon the indorser for the payment of it.

When a draft or a promissory note is received marked "No protest" and the instructions are to protest it if not paid the draft should be protested on the theory that to make a pro-

test when not necessary is a less serious mistake than to omit a protest when one is necessary.

For additional information see Protest.

Northwestern receipts. Receipts of wheat at Duluth and Minneapolis, the great market points for spring wheat raised in Minnesota, North Dakota and South Dakota.

Not a delivery. Stocks or bonds are not a delivery (are not deliverable) in fulfilment of contracts entered into on the New York Stock Exchange when they do not meet all requirements of the exchange. See Rules for delivery.

The rules of the New York Stock Exchange are generally observed in transactions in stocks and bonds that take place elsewhere than on the exchange.

The term not a delivery is also used in dealings in grain, cotton, coffee, etc.

Also see Delivery, A.

Not a good delivery. This term is colloquially in common use, but the word good has been dropped from the New York Stock Exchange rules for delivery as superfluous. A thing, as a stock or a bond, either is not a delivery (is not deliverable) on a contract or is a delivery (is deliverable). For information see Not a delivery.

Notary or notary public. An officer duly commissioned and holding a seal of office who is empowered by law to note protests and certify the same; to take depositions, acknowledgment of deeds and other instruments and authenticate the same by his official certificate, signature and seal.

The protest of a bill of exchange (draft) or of a promissory note under a notary's signature and seal is everywhere received as legally authenticated without other evidence of the notary's official character.

Formerly this officer was called scrivener or one who attested declarations and made drafts of deeds, wills, etc.

Note. The abbreviated name for a promissory note, for information as to which see Promissory note.

Note also is an abbreviation occasionally used for bank note, as a ten-dollar note or a five-pound note.

To note a bill of exchange (or a promissory note) means to make a memorandum on it to the effect that it has been dishonored; for additional information see Noting a bill.

Note broker. One who effects the sale of promissory notes. A note broker is different from a money broker. The commission of a note broker is generally 1-8 or 1-4 of 1 per cent of the amount of the note. This commission is paid by the one for whom the broker sells the paper. The buyer pays no commission.

Note of hand. Same as promissory note; see Promissory note.

Note teller. The note teller in a bank is sometimes called third teller; his particular business is to attend to the collection of promissory notes and drafts.

Notice of dishonor. Notice by the holder of negotiable paper to the drawer or indorser that it was not paid at maturity.

Noting a bill. When a bill (draft or promissory note) has been presented for acceptance or payment and has been dishonored a note to that effect is indorsed on the bill, after which it may be formally protested.

When a bill has been noted the protest may (in New York state) be extended as of (back to) the day of noting.

The protest should be commenced on the day on which acceptance or payment is refused, but it may be drawn up and completed at any time before the commencement of suit or even before or during trial and be antedated accordingly.

Not worth a Continental. This phrase had its origin in the great depreciation in Continental money in the closing years of the eighteenth century.

NS. As printed on the tape by the stock ticker these letters mean new series, as bonds of a new series.

Nude contract. A contract without a consideration.

O

O. As printed on the tape by the stock ticker this letter means offered. An offer alone (without a bid) is preceded by an O and a dot, thus: RG. O. 75, meaning that Reading stock was offered at 75. A sale and an offer is printed thus: RG. 75, O. 75, meaning that Reading stock was sold at 75 and was afterward offered at 75 without a sale or bid. A bid and an offer are separated by @, thus: 75@1-2, meaning that 75 was bid for the stock and that it was offered at 75 1-2. (On some tickers three dots . . . are used in place of @).

OB. As printed on the tape by the stock ticker these letters mean opening of books (see Books open); they mean that the stock so sold is to be delivered on the opening of the transfer books of the company which issued it. The delay in delivery until that time is because the stock had been assigned to a specified individual by the original owner instead of having been assigned (or signed) in blank (see Assigned in blank) and, therefore, not being a delivery it was necessary to wait until a new certificate could be obtained before making delivery to the buyer.

Also see At the opening.

Obligation. Debt.

Obligations. London Stock Exchange name for a certain class of bonds, principally of governments and railroads on the Continent of Europe.

Obligatory bond. Any bond the interest on which is at a fixed rate payable at stated intervals. Failure to pay the interest on such a bond constitutes a default.

Obligee. The person in whose favor a bond or other obligation has been entered into.

Obligor. The person who is bound, especially by bond, to perform an obligation.

Obvious fraud. When a member of an exchange is expelled for fraud it is usually stated that he is expelled for obvious fraud, by which is meant that his guilt was clearly established.

Ocean room. Same as sea room; freight accommodation on an ocean vessel.

Odd lot. Same as fractional lot; in stocks less than 100 shares and in bonds less than \$10,000.

Off coast. Said of a vessel arrived at port but waiting orders to discharge cargo or go to another port.

Offer. The expression of a desire to buy or sell at a price named by the offerer. For additional information see Bid and asked.

Offered down. Said when a stock is offered for sale at a price lower than the actual market price.

Official broker. The one who is designated by the committee for general purposes of the London Stock Exchange to make purchases and sales in settlement of disputed transactions and in defaults.

Official list. See Stock Exchange Daily Official List.

Officially quoted. Quoted in the official price list of the London Stock Exchange.

Official minimum. A term applied to the minimum discount rate of the Bank of England.

Official time of the New York Stock Exchange. At 14 minutes after 2 p. m. on each business day except Saturday the words Hammond's time are printed on the tape by the stock ticker and afterwards the lever of the instrument sounds fifteen beats. When the fifteenth beat is sounded it is 2.15 p. m., and the end of the time for the delivery of securities in settlement of contracts entered into on the New York Stock Exchange which mature on the current day.

O. K. These letters when inscribed on a document signify that it is correct.

Old demand notes. In the monthly statement of the public debt appears the item "Old demand notes." It refers to notes (money in the form of promissory notes) issued previous to the present United States notes (greenbacks).

Old Lady of Threadneedle Street. A colloquial appellation for the Bank of England, the main entrance to which is on Threadneedle street (London).

Omnium. A name, now obsolete, for certain British government loans issued towards the end of the eighteenth century; they were called omnium because each subscriber for £100

stock received a parcel composed of several sorts of government loans.

On account. A payment on account is a payment in partial liquidation of an obligation or debt.

On a scale. A term used in speculative operations in stocks, meaning buying or selling, as the case may be, at stated intervals in prices as prices decline or advance. For instance, buying at 100, 98, 96, 94 and 92 would be buying on a 2 per cent declining scale. Reversing the order of prices would be buying on an ascending scale. The operation of selling on a scale is conducted in the same fashion.

Also see *Pyramiding*.

On balance. Buying on balance is the buying in excess of previous sales. For instance, if an operator who has sold 5,000 shares of stock turns about and buys 10,000 shares 5,000 shares of the stock bought are bought on balance. Selling on balance is the selling in excess of previous purchases.

On call. Deliverable on demand. For information as to money borrowed or loaned on call see *Call loan*.

On canal. Said of grain in transit on the Erie canal; such grain is included in the visible supply.

On 'change. On a stock exchange or on any exchange.

On consignment. Said of goods which are sent by one party (who is the consignor) to another party (who is the consignee) to be sold by the latter for the benefit of the former. Property forwarded on consignment is paid for as sales of it are effected.

One-name paper. Single-name paper; paper without indorsement. This term is seldom used; the term almost invariably used is *single-name paper*.

On lake. This term is applied to grain in transit on the lakes; such grain is included in the visible supply.

On margin. When stocks are bought or are sold short on margin a percentage of the par (face) value, say 10 per cent, is deposited with the broker to secure him against possible loss. The amount deposited is *margin*.

For information as to margin for speculative operations in stocks, bonds, grain, lard, pork, short ribs, cotton, coffee and silver bullion see *Margin*.

On memorandum. In trade when an order is booked (re-

ceived and recorded) on memorandum it is meant that it is booked at a private price, as distinguished from an open or public price. For example, an open price may not yet have been made on goods to be brought out in the future, but an order for the goods may be accepted on memorandum—at a private price agreed upon between the seller and the buyer.

On open account. For information see Open account.

On order. Subject to order.

Property (as grain) shipped, but with no consignee (receiver) named, the property being deliverable on the order of the consignor (shipper); as a fact the property is deliverable to the holder of the bill of lading (the receipt for the property issued by the railroad or other transportation company).

Shipments on order figure to a considerable extent in dealings in both domestic and foreign exchange. Illustration: A shipment of grain from Chicago to New York may be consigned on order. A certain amount is advanced by a bank (or banker) on the bill of lading. When the grain is sold in New York the bank surrenders the bill of lading to the buyer of the grain, reimburses itself for its advance to the shipper and returns the balance to the shipper.

Or, a shipment of grain may be made from New York to London. The process is the same as with the shipment of grain from Chicago to New York.

Also see Sold on order; also see To order.

On passage. Grain or other commodities or merchandise on the high seas; refers particularly to grain.

On the inside. Possessing a knowledge of affairs that are secret or that are known to very few.

On track. A term applied to grain in cars; such grain is not included in the visible supply for the reason that its location is not always known.

Open account. Same as running account, although the term open account is usually employed.

In trade (particularly the wholesale trade) when an open account is established the buyer arranges with the seller to receive credit for a certain period on purchases made. He does not give a promissory note or furnish security of any kind, but when the period of credit agreed upon has elapsed after a (after each) purchase he makes payment for it by check

or bill of exchange or in whatever way may have been predetermined by the seller and buyer. If the period of credit is exceeded without payment by the buyer the seller is considered to have or perhaps by stipulation has the right to draw on the buyer for the amount due.

The name open account also is applied to an account in which some item is not settled between the parties.

On the London Stock Exchange the term open account means the excess at the fortnightly settlement of the bull (long) interest over the bear (short) interest; or the reverse, the excess of the bear interest over the bull interest in the market as a whole or in a group of stocks or in a single stock, accordingly as specified. It is an open bull account or an open bear account as designated.

Open credit. A credit given to a customer at a bank against which he may draw without pledging security; or in trade a credit given to a customer against which he may order goods.

Open market. The public market; a market that is free to all, as distinguished from one participation in which is restricted to members of an exchange.

Open market discount. This term is generally applied to the open market discount rate in a foreign financial centre. In London the bank rate is the rate of the Bank of England, whereas the open market rate is the rate of other banks and bankers and bill brokers (dealers in commercial and bank paper). In Paris the bank rate is the rate of the Bank of France, in Berlin the bank rate is the rate of the Imperial Bank of Germany, and so on.

In New York the bank rate is the uniform rate of the banks as distinguished from the varying rates of other lenders. In London when the Bank of England makes a rate the other lenders adopt it, if possible, or sometimes even quote a higher one; but if they find they cannot do business at it they make a lower rate, and so it is in Paris, Berlin, etc. In New York if other lenders cannot do business at the rate adopted by the banks they make a lower one.

Open market rate. As applied to money the open market rate is the rate other than the "bank rate." See Open market discount.

Open order. One good until canceled or countermanded.

Open position. London Stock Exchange term for the amount of stock that has been bought for the rise or sold for the fall by speculators. For instance, if it is said that there is a large bull position open in consols or in the consol market it is meant that speculators have bought consols heavily in expectation of a rise in their price. An open position is closed when the bull resells or the bear repurchases, thus liquidating his commitments.

Open price. A trade term; a public price as distinguished from a private price.

Open trade. This term applies to a speculative trade or transaction that has not been closed. For instance, when a stock has been bought that is to be sold again it is an open trade or the trade is open until the stock actually is sold and the trade or transaction is thus completed or closed. It is the same if a stock is sold short; it is an open trade until the stock is bought. The term also applies to trades in grain, cotton, coffee, etc.

Operating company. In the case of a railroad this is the company which owns and actually operates the road, but which company itself is owned, or at least the control of which is owned, by another company; the latter company would be designated as a controlling company.

Operating expenses. The expenses involved in the operation of a company.

Operator. In stocks a professional dealer; one who makes a business of speculation; the term is generally construed as meaning a speculator on a large scale.

O. p. money. A Wall Street colloquialism, meaning other people's money. The term is sometimes applied to money that has been borrowed or to money offering in the money market—that is, money which may be borrowed.

Option. Property bought or sold to be received or delivered by the buyer or seller in accordance with the terms agreed upon. Sometimes the buyer pays for the privilege of calling for the delivery of the property within a certain time if he so wills, but he is not obliged to take it; sometimes the seller pays for the privilege of delivering the property.

In speculation an option is the purchased privilege of either receiving or delivering a specified amount of anything (as

stocks, grain, cotton, coffee, etc.) at a specified price within a specified time.

In stocks bought on buyer's option the buyer may, when the option is for four days or more, demand delivery of the stock on any day within the time specified on one day's notice to the seller. In stocks sold on seller's option, when the option is for four days or more, the seller may deliver the stock to the buyer on any day within the time specified on one day's notice to the buyer.

When a dividend becomes due on a stock during the pendency of an option on it the dividend is collected by the seller of the stock, who holds it, allows interest on it and pays the dividend, with the interest on it, to the buyer on the settlement of the contract. When an option on a stock matures during the closing of transfer books the seller of the stock gives to the buyer of the stock a due bill for the amount of the dividend which is payable when the dividend is paid, but the due bill does not bear interest.

Also see Privilege.

Optional bond. A bond maturing (expiring) at a specified date, but which may be redeemed (paid and canceled) after a designated earlier date at the pleasure (option) of the company (or government) issuing it. Thus, a bond maturing in fifty years, but which may be redeemed after ten years, is an optional bond.

Option money. The amount paid to obtain an option; see Option.

Order. A written instrument drawn by one person and addressed to another which directs the payment of money, the rendering of a service or the delivery of something to the bearer of the writing.

The commonest forms of orders for the payment of money are checks and drafts (bills of exchange). Postoffice money orders and the money orders issued by express companies are drafts.

When a speculator directs a broker to make a purchase or sale he is said to have given an order and when the broker has made the purchase or sale he is said to have executed the order.

Names of orders employed in speculative operations are

buying order (an order directing a purchase), selling order (an order directing a sale), stop order (an order fixing a point or price at which a sale or purchase is to be made, usually to avoid loss, and when given for this purpose it is called a stop-loss order) and cancel order (an order canceling a previous order).

Also see *On order*; also see *To order*.

Ordinary general meeting. English term for a meeting of the shareholders (stockholders) of a company at which the directors propose a dividend, which cannot be paid without the approval of the shareholders; also at this meeting the directors present for adoption their report and accounts, which must have been issued to shareholders beforehand; also at this meeting the places of directors, who retire by rotation are filled, and the auditors, who retire as a matter of course, are reelected or replaced.

Ordinary stock. Common or general stock.

In Great Britain when an ordinary (common) stock has been divided into two parts one part, called deferred, receives no dividend until the other part, called preferred, has received a dividend at a fixed rate. The deferred stock is called A stock and the preferred stock is called B stock.

This B or preferred stock is not the same as preferred stock in the United States. What in the United States is called preferred stock is in Great Britain called preference stock and preference stock in Great Britain may be divided into two or more classes called first preference, second preference, etc., just as preferred stock in the United States may be divided into two or more classes called first preferred, second preferred, etc. When, however, there is but one class of preference stock ahead of an ordinary stock in Great Britain the B or preferred stock is equivalent to second preferred stock in the United States.

O. T. On track; a term applied to grain in cars; such grain is not included in the visible supply for the reason that its location is not always known.

Other people's money. The term is usually abbreviated to O. p. money; it is a term sometimes applied to money that has been borrowed or to money offering in the market—that is, money which may be borrowed.

Outclearer. The name given to the clerk in a bank in Great Britain who arranges, makes a record of and takes to the clearing house items (checks, drafts, etc.) for collection from other banks. The corresponding clerk in a bank in New York is called settling clerk.

Also see Inclearer.

Outcrop. A name applied to a mine that is worked near the surface. A mine whose workings or levels are deep down in the earth is known as a deep level.

Outlawed. An outlawed account or claim is one upon which suit is barred by the statute of limitations; it is an account or claim which the creditor has so long delayed in enforcing that the courts, acting under the statute, decline to assist him in collecting it. In an ordinary contract, obligation or liability in New York state suit must be brought within six years from the last payment upon it of principal or interest or within six years from the last date upon which the debtor acknowledged his liability.

Out of condition. When grain is injured so that its grade is lowered it is out of condition.

Out-of-town check. A check on a bank which is located outside the territory of the clearing house with which the collecting bank is identified. In this case the payment of the check is accomplished by special collection.

Outside bank. One that is not a member of a clearing house and does not clear through a bank that is a member. Also see Non-member bank.

Outside broker. A broker who is not a member of an exchange; one who deals in securities that are not dealt in on a stock exchange. A dealer in the outside market or on the curb is an outside broker. In New York such a broker is not a bucket shop keeper; see Bucket shop.

In London an outside broker is one who is not a member of the London Stock Exchange and is sometimes described as a bucket shop keeper. Some outside brokers, however, conduct a perfectly legitimate business.

Outside market. The name that is applied in New York to the market for securities not dealt in on the New York Stock Exchange. The curb market or street market is called the outside market, but securities dealt in in offices or anywhere

else outside the New York Stock Exchange are classed as in the outside market.

Outside securities as a rule cannot be bought on margin. They have to be paid for outright. This is because of the difficulty which might be entailed in enforcing contracts in these securities; contracts in securities dealt in on the New York Stock Exchange are easily enforced under the rules of the exchange. The brokers in outside securities have no formal organization or rules, although in practise they follow the rules of the New York Stock Exchange.

Outside securities are not sold short to any extent owing to the uncertainty as to the ability to borrow them. In other words, the dealings are chiefly in the actual securities in selling as well as in buying.

The term outside market as applied to money in London means the money market aside from the Bank of England; it means the same as open market; see Open market discount.

Outsiders. In Wall Street this term means others than professional or regular speculators; the general public.

Outside securities. Those not dealt in on the New York Stock Exchange. Though the securities may not be dealt in at the place of assembly of the outside brokers but only in offices they still are outside securities. For additional information see Outside market.

Outward trade. Another name for export trade; goods and other articles of commerce sold and shipped to other countries.

Over. In London over a figure or fraction means 1-32 above. Over 3-16 means 7-32.

Overbought. Said when the long interest in the stock market is unwieldy. When an individual has bought more than he can provide margin for in a decline he has overbought.

Overcapitalized. When a company is unable to earn profits amounting to a fair return on its capital it is said to be overcapitalized.

Overcertification. When a bank certifies a check (see Certified check) and the drawer (issuer) has not at the time enough funds on hand to meet it that is overcertification. The bank expects the drawer to make up the deficiency by a deposit before the check is presented for payment.

Overcertification is common and frequently is necessary in

Wall Street. If stock for a large amount is purchased the buyer may not have on deposit sufficient funds with which to pay for it. The purchaser issues his check, which is certified by the bank on which it is drawn. Then he obtains a loan from the bank, which is secured by pledging the stock purchased. The amount of the loan is placed to the credit of the owner of the stock and thus his overdrawn account is made good.

Overcertification is prohibited by the National bank act and renders officers or clerks liable to a fine of not more than \$5,000 or imprisonment for not more than five years or both; it also gives the Comptroller of the Currency power to appoint a receiver. In the National bank act overcertification is called false certification.

Overdraft. When a check is drawn on a bank and there are not sufficient funds to the credit of the drawer (issuer) in the bank to meet it the check is an overdraft—the drawer of the check has overdrawn his account. In overcertification the check that is certified is technically an overdraft.

Overend Friday. A name given to one of the two Black Fridays in the financial history of England; the day (Friday, May 11, 1866) on which occurred a panic as a result of the failure of the great discount house of Overend, Gurney & Co. For additional information see Black Friday.

Overhead price. Same as all-round price; a price which covers cost and all charges, including what usually are extra charges.

Overissue. When more stock has been issued than the charter of the company authorizes; criminal.

Overlying bond. A bond issued under a mortgage posterior and subsequent in claim to another mortgage.

Overlying mortgage. A mortgage posterior and subsequent in claim to another mortgage; for instance, when speaking of a first mortgage a second mortgage is an overlying mortgage.

Over-night. An over-night transaction is one lasting for or to be concluded in 24 hours—that is, lasting until or to be concluded on the business day next following that on which the transaction was entered into.

Over-night loan. A loan continuing only for 24 hours or

until the business day next following that on which it is effected.

Overplus. Same as surplus; residue; remainder.

Over-sea trade. Trade with a country which is beyond an intervening sea.

Oversold. Said when the short interest in the stock market is excessive; also said when an individual has sold more than he can provide margin for in case of an advance.

Oversold account. London Stock Exchange term; said when bear (short) sales of securities for the account (see Account, The) are excessive.

Overstayed. When a speculator has failed to close his transaction until part of his profit has vanished he has overstayed—overstayed his market.

Over the counter. Said of business done in an office instead of at an exchange.

In transactions in (foreign) exchange the over-the-counter or counter rate is the rate which the dealer in exchange pays for a bill.

P

Pacific or transcontinental railroads. Atchison, Topeka & Santa Fe; Canadian Pacific, Great Northern, Northern Pacific, Southern Pacific, and Union Pacific.

Paid-up stock. That which the subscribers (persons who have subscribed for it) have paid for in full.

Panic. In Wall Street a panic is a time of great alarm when there is a rush to sell securities with a ruthless sacrifice of values.

Also see Black Friday; also see Grant & Ward panic; also see Jay Cooke panic.

Paper. Usually refers to commercial paper. Collectively, promissory notes and bills of exchange (drafts) are paper; specifically, a single promissory note or a single bill of exchange is a piece of paper.

Paper basis. Exists when values are based on paper money. The value of paper money depends on the credit of the government issuing it.

Paper money. Paper money, as a rule, is intended for circulation solely in the country in which it is issued.

In countries where paper money is not backed by gold or silver, or is backed only by silver, or by only a small percentage of gold, paper money is depreciated, or in other words, is at a discount. If 100 gold dollars cost 200 paper dollars gold money is at a premium of 100 per cent and paper money is at a discount of 50 per cent; again, if 100 silver dollars cost 150 paper dollars silver money is at a premium of 50 per cent and paper money is at a discount of 33 1-3 per cent.

Paper profits. Profits in transactions not yet closed and consequently not yet in hand.

Par. The face value.

On the New York Stock Exchange if the face value of a stock is \$100 it is at par when it is selling at 100. It is above par when it is selling at a higher price, as 101; it is below par when it is selling at a lower price, as 99. Half-stock (stock of the face value of \$50) also is at par when it is quoted at 100, which in this case means \$50. The face value of a stock is divided into 100 parts for quotation purposes, no matter what the face value may be, and each part is called 1 per cent or 1 point (or a point). Therefore, when a half-stock is quoted at 101 it is 1 above par, which means that the stock is worth \$50.50 a share; when it is quoted at 99 it is 1 below par, which means that the stock is worth \$49.50 a share. The same principle applies to quarter-stock (stock of the face value of \$25) and, in brief, to stock of any face value.

In some markets stocks are quoted in dollars instead of by percentage. Thus, in such markets if a stock of the face value of \$100 is selling at 100 it is at par; if selling at 101 it is 1 above par; if selling at 99 it is 1 below par. Likewise, if a stock of the face value of \$50 is selling at 50 it is at par; if selling at 51 it is 1 above par; if selling at 49 it is 1 below par. So, also, if a stock of the face value of \$25 is selling at 25 it is at par; if selling at 26 it is 1 above par; if selling at 24 it is 1 below par; and so on.

Parent company. One from which other companies derive authority. A company owning a patent may grant to other companies the right to use the patent. The parent company generally owns a controlling interest in a company which operates under authority from it, but this is not necessarily the case.

Paris Bourse. The official name is "The Company of the Paris Bank, Exchange, Trade, and Finance Brokers". The governing body of the bourse is the *chambre syndicale*. A membership in the bourse can only be secured by purchase (as in the New York Stock Exchange) and then the candidate for membership must secure the approval of the Minister of Finance before he can present his name for election, and the election is by vote of the members as a whole and not by a committee. A member is elected for life as in the New York Stock Exchange.

A membership in the Paris Bourse may be owned by twelve persons, but it must be in the name and control of some one of the owners, who alone has the right to do business in the bourse and must own outright at least one-fourth of the membership.

The small enclosure in the Paris Bourse set apart for the use of the seventy official brokers or agents de change is designated as the *parquet*; also the agents themselves as a body are designated as the *parquet* to distinguish them from the *coulisse* or body of outside brokers, these outside brokers as individuals being termed *coulissiers*.

Parity. This word when applied to the price of a stock means a price which is equivalent or equal to the price for the same stock when it is quoted on a different basis. The price in London of an American stock is at parity with the price in New York when the stock is selling in London at a price which, allowing for the difference in method of quoting, is equivalent or equal to the price at which it is selling in New York.

In dealings in American stocks on the London Stock Exchange 4 shillings is counted as \$1. Four shillings being equal to 97 1-3 cents the price of an American stock must be 2 2-3 per cent (quotably 2 5-8 per cent) higher in London than in New York if the London price is to be equivalent to

(or at a parity with) the New York price. Not 2 5-8 per cent is to be added arbitrarily to the New York price, but 2 5-8 per cent of the New York price, whatever it may be, is to be added to the New York price to make an equivalent London price.

Thus, for a stock selling at 50 in New York the equivalent price in London would be 51 3-8 (while the fraction 3-8 is not strictly correct it is quotably correct). For a stock selling at 100 in New York the equivalent price in London would be 102 5-8. Conversely, for a stock selling at 100 in London the equivalent price in New York would be 97 3-8 and for a stock selling at 50 in London the equivalent price in New York would be 48 5-8.

In grain there is a normal difference in price between two markets equal to the cost of transporting the grain from the market where the lower price prevails to the market where the higher price prevails. When the difference is normal prices are at parity. It is the same in cotton, etc.

Par of exchange. The par of foreign exchange is the fixed intrinsic value of the currency unit (monetary unit) of one country expressed in the terms of the currency of another country which uses the same metal as a standard of value. Thus, \$1 in United States gold money is 4.11 shillings or 4 shillings 1.31 pence in English gold money or 5 francs 18.26 centimes in French gold money or 4 reichsmarks (marks) 19.79 pfennigs in German gold money or 2 guilders (florins) 48.78 cents in Netherlands (Holland) gold money, and so on.

If the price paid for a bill of exchange just equals the amount for which it is drawn then exchange is at par; if more is paid exchange is above par; if less is paid exchange is below par.

Between a gold standard country and a silver standard country there can exist no fixed par of exchange for the reason that silver, unlike gold, has not a fixed value; in other words, silver being a commodity its value depends on the state of the market for it.

Parquet. See Paris Bourse.

Participating bond. Comparable to an income bond inasmuch as the return to the holder in interest depends on the extent of the revenues so applicable.

The first bonds to bear this name were issued in 1902 and

were designated "4 per cent and participating bonds." These bonds were in effect collateral as well as income bonds. The company which issued the bonds owned stock in another company and this stock was deposited and pledged as security for the principal of the bonds. Interest at 4 per cent was guaranteed by the company which issued the bonds and the bonds were also entitled to receive interest in excess of 4 per cent as permitted by the dividends paid on the stock securing the bonds beyond the amount necessary first to provide for the 4 per cent as guaranteed.

Partnership. Joint interest, with an agreement to share the profit and bear the loss in certain proportions.

If one of two partners contributes the greater part or the whole of the capital he is not entitled to interest on his capital or on the excess unless there is an express agreement allowing him interest. In the absence of an agreement it is assumed that the other partner's contribution of time or skill or both was regarded in the understanding between the partners as equalizing the disproportion of capital. If there is to be any compensation outside of a division of the profits it must be provided for in the partnership agreement.

If the capital of a firm is impaired or wholly lost the deficit must be repaid like a loss of any other kind. There is no distinction between an impairment of capital and any other loss and the agreement for sharing losses applies and obtains. A loss is equally a loss whether it is a loss of capital or of gains previously made.

A partnership is not liable for a private debt of any of its members, but any member's interest in the property of the firm may be levied upon. The usual procedure is to sue the individual debtor and secure judgment against him; execution is then levied upon his individual property and if this is not sufficient to satisfy the judgment his interest in the partnership property may be levied upon and sold.

The individual insolvency of a partner when determined by bankruptcy proceedings or acknowledged by an assignment for the benefit of his creditors effects an immediate dissolution of the firm. A partner may be actually insolvent, that is, unable to pay his debts, and the firm still may continue. But if he makes an assignment for the benefit of his creditors or if

his bankruptcy is decreed the immediate dissolution of the firm becomes necessary in order that the share in it of the insolvent may be ascertained and separated from the shares of the others and placed at the disposition of his creditors.

If a partnership is continued beyond the time originally fixed and no new terms are agreed upon it becomes a continued partnership. Any partner may then declare the firm dissolved whenever he chooses. The continued partnership, however, is presumed to be upon the same terms and conditions, so far as these are applicable, as those which obtained before the expiration of the fixed term. A clause requiring a partner who wishes to retire to notify the others at some definite time beforehand is no longer in force, because such an arrangement is incompatible with a partnership at will.

When one of two partners dies the partnership is immediately dissolved unless there is a provision in the partnership agreement to the contrary.

Part-paid stock. That which subscribers (persons who subscribe for the stock) have paid for only in part.

Passenger density. A term used in railroad accounting, meaning the result obtained when the total number of miles all passengers were carried is divided by the number of miles of road operated.

Passenger-mile cost. A railroad term, meaning the average cost per mile of carrying each passenger.

Passenger miles. A railroad term; the number of miles, collectively, traveled by all passengers. The result attained by adding together the number of miles traveled by all passengers and dividing by the number of passengers shows the average number of miles traveled by each passenger. Passenger mileage means the same as passenger miles.

Passenger traffic. Passengers transported by a railroad or other carrying line.

Passing a dividend. Failure to declare a dividend that had previously been regularly paid. When the directors vote not to pay a dividend that previously had been regularly declared the dividend is stopped; when the dividend simply is not declared it is passed.

Passing a name. London Stock Exchange term; consists in the passing by the buying broker to the seller of the name of

the actual buyer for the purpose of preparing the transfer deed, so-called. If the jobber who sold to the broker is not (he generally is not) the real deliverer he passes the name on to his seller (the one who sells to him), and so on until the name reaches the broker or jobber who sold real stock and is prepared to deliver it. See *Name day*.

Passive bond. A bond not bearing interest but entitling the holder to some benefit. An income bond is a passive bond.

Pawned stock. London Stock Exchange term for stock pledged as collateral.

Pay. Remuneration; recompense. The term also applies to the reputation of a person for keeping his financial engagements, as he is good pay or bad pay, sure pay or slow pay, etc.

Payable in exchange. See *In exchange*.

Pay day. Same as *account day* or *settlement day*; the fourth and last day of the fortnightly settlement on the London Stock Exchange, when securities are delivered to the buyer and paid for, or when, if they are neither taken up (paid for in full) nor delivered but are carried over to the next settlement, the differences on them necessary to balance the account are either paid or received, as the case may be. For additional information see *Settlement*, *The*.

On the New York Stock Exchange there is a settlement every day except Saturday.

Payee. The one to whom a check, bill of exchange or draft, promissory note or any order for money is payable.

Payer. The one who pays, as the one who pays a bill of exchange or draft or a promissory note.

Paying a dividend. For information see *Dividend*.

Paying-in slip. Same as *credit slip*; English name for the printed form upon which a depositor in a bank enters the amounts of checks, money, etc., to be placed to his credit in the bank.

Paying teller. The clerk in a bank who pays out money and the custodian of the bank's cash; often called *first teller*.

Payment bill. The abbreviated name for a bill for payment; see *Bill for payment*.

Payment for honor. Payment by a party other than the drawee (the one drawn upon) of a bill of exchange (draft)

which has not been honored by the drawee. The purpose is to save the honor (credit) of the drawer, who is looked to to protect or reimburse the one who makes the payment.

Payment stopped. When a check has been lost or stolen the bank upon which it is drawn is notified to stop payment on it if it is presented.

Payment supra protest. Payment, after protest, by a party other than the drawee (the one drawn upon) of a bill of exchange (draft) which has not been honored by the drawee. The purpose is to save the honor (credit) of the drawer, who is looked to to protect or reimburse the one who makes the payment.

Pegged. A Wall Street colloquial term used when a stock is held at or very near one price; when the price of a stock is kept stationary.

Penal sum. The sum stipulated in a bond to be paid by the obligor (the one bound to perform the obligation) in case he fails to fulfil its conditions.

Penalty. A sum of money stipulated to be forfeited and paid in case of the non-performance of the conditions of a contract.

Penny. A bronze coin of Great Britain equal to about 2 cents. The name penny is also applied colloquially to the United States cent.

Per. By or per annum (by the year or annually); per cent (by or in the hundred). When one person writes the name of another person followed by the word per and his own name per means by the writer for or in behalf of the person whose name is first inscribed.

Also see Per procuration.

Percentage. Rate per hundred or proportion in a hundred parts. Thus, 1 per cent is 1 on (or in) 100. For instance, a dividend of 1 per cent means \$1 on each \$100 of stock. Interest at 5 per cent means \$5 on each \$100 of the whole amount, which is \$50 on a bond for \$1,000. A premium of 3 per cent is \$3 on each \$100.

In Great Britain prices, dividends and interest are expressed in percentages when stocks and bonds are spoken of, but when shares are mentioned it is more usual to quote in fractions of £1 or in shillings and pence. Thus, the price of Brighton

Railway deferred stock is £138 1-4 per cent and its dividend is 6 1-2 per cent; but the price of British Electric shares is £14 1-8 and the dividend is 18 shillings per share. Premiums follow the same rule, being quoted in percentage on stocks and in fractions of a pound or in shillings and pence on shares.

In insurance in Great Britain the premium is the consideration paid annually or periodically in return for which the company agrees to pay a sum at the death of the insured or on his arrival at a certain age. It is calculated in pounds, shillings and pence on each £100 of the amount of the insurance. Thus, a premium of 20 shillings per cent means that 20 shillings is the annual premium on each £100 insured.

Per contra. On the other side; used in bookkeeping.

Permanent power of attorney. Written authority to act for another until revoked.

Per mille. Per thousand. A premium or charge of 1 per mille is 1 on 1,000, which is equal to 1-10 of 1 per cent. For instance, if the Bank of France charges a premium of 1 per mille for gold the premium is 1 franc on every 1,000 francs of gold.

Per procuration. Means by power of attorney. A person who signs in the name of another in transacting the business of the latter signs per procuration. If John Jones signs per procuration for Richard Smith he signs "P. p. Richard Smith" and then underneath "John Jones."

Personal property. A movable article of property; chattel.

A contract relating to personal property is governed by the laws of the state in which it is made.

Personal security. Any security that is not real estate offered as a pledge for the payment of debt.

Petit Bourse. This is an outside market for securities in Paris held in the evening.

Petties. Used in invoices and accounts; means sundry items of charge or expense too small to be enumerated separately.

Petty cash book. A book, used in bookkeeping, in which are entered small payments so that they may be posted in a lump sum instead of separately.

Physical condition. The condition or state of a property; in the case of a railroad the condition or state of the structure

(roadbed and buildings) and equipment (locomotives, cars and other apparatus for handling traffic and machinery in shops).

Piece-of-eight. The old Spanish peso of Mexico is sometimes called the piece of eight reals (real being derived from rey, a king).

Piece of paper. A term applied to a promissory note or bill of exchange (draft).

Piker. A Wall Street colloquialism, meaning a trader in small lots of stocks.

Piking. A Wall Street colloquialism, meaning trading in small lots of stocks.

Pinched out. London Stock Exchange term for a mining reef (lode or deposit of metal) that has disappeared or been worked out.

Pinholed. When a stock certificate is punctured with numerous pinholes they furnish evidence that the certificate has had numerous sale tickets (memoranda of sale) pinned to it—that it has changed hands numerous times.

When stock certificates bearing date materially earlier than that on which purchasers receive them are appearing in large numbers without pinholes it is taken as evidence of the unloading of permanent holdings. Were the stock numerously pinholed the inference would be that it was floating stock—stock in regular use in speculative operations.

Pistole. A former gold coin of Spain worth one-fourth doubloon, equal to \$3.93.47.

Pit trader. A name applied to a grain broker who trades (speculates) for his own profit or loss on an exchange or board.

The particular place on the floor of the exchange or board where trading in grain is conducted is called the pit; it is generally circular in shape with steps leading down from an outside raised platform to the clear space on the floor where the traders stand.

Placing a stock or placing bonds. Same as floating a stock or floating bonds; marketing; selling. The term is generally applied to the disposal of an entire issue of stock or bonds, or at least a large part of an issue.

Plain bond. A bond not secured by mortgage or collateral

and without a sinking fund provision. A debenture bond being (as a rule) merely a promissory note in the form of a bond is a plain bond.

Plant. The permanent income-producing equipment of a company. For instance, the plant of a manufacturing company consists of its works, usually including the land upon which they stand. The plant of a telegraph or telephone company consists of its wires, instruments, etc. The plant of a gas company consists of its generating houses, tanks, mains and meters.

Pledge. To pledge is to hypothecate or pawn; to place (as stocks or bonds) in the hands of another as security for a debt. The property so placed or hypothecated is a pledge.

Pledgee. The one to whom anything is pledged; specifically, the one to whom personal property is pledged as security for a debt.

Pledger. One who gives a pledge; who hypothecates personal property as security for a debt.

Plunger. A Wall Street colloquialism, meaning a speculator who trades heavily and takes great chances.

Point. In stocks a point is 1 per cent; in cotton and coffee one-hundredth of a cent.

Also, as a Wall Street colloquialism, a point is advance information or a suggestion of supposed value; same as tip, which is another colloquialism.

Pointer. A Wall Street colloquial appellation for one who imparts points; see Point.

Pony. English colloquialism for £25.

Pool. This term applies when interests join together for mutual advantage.

The anthracite coal pool, as it formerly existed, was an agreement whereby each company belonging to the pool was to mine a certain percentage of the total production. The production for each month was determined in the preceding month. The purpose of the pool was regulation of both output and prices. By restricting the output to the consumptive demand control of prices was accomplished. A schedule of prices was prepared for each month and all the companies made sales of coal in accordance with it. The anthracite coal pool was declared illegal by the courts on the ground that it was in restraint of trade.

In manufacturing pools are often formed. Formerly the manufacturers of steel rails joined in a pool. The pool fixed prices and each concern was allowed to make and sell a certain percentage of the total output of rails.

A freight pool formerly was an arrangement whereby railroads (or other transportation lines) divided among themselves the tonnage for which they were all competing. For instance, the business between New York and Chicago formerly was divided among the roads handling it. Each road was allowed a certain percentage of the whole. When a road was ahead of its percentage (had carried more than its percentage) it had to even up (this being the term used) by transferring freight received by it to roads which were behind their percentage. This was called a tonnage pool. At one time a money pool was in existence. In this pool a road that had carried more than its percentage had to pay over in money the amount received for carrying the freight in excess of its percentage. This money went to roads which carried less than their percentages. A passenger pool was based on the same general principles as a freight pool. To secure a distribution of business in accordance with the percentages allotted differential rates (lower rates) were permitted to be charged by roads not advantageously situated or not having as attractive a service as other roads. Also, where it was possible, traffic was diverted from lines ahead of their percentages to lines behind their percentages in order to even up. A money pool in the passenger business operated in the same way as a money pool in the freight business.

Pools, for the most part, have been terminated by the Interstate commerce law and by the national anti-trust law and the anti-trust laws of the various states.

Also, the term pool is applied to a fund contributed by several persons for the purpose of undertaking a speculation. When a pool is formed in a stock in order to manipulate the stock the contributors to the pool (mutual fund) appoint a manager of it who conducts the operations in the stock. If it is a bull pool the first step is to buy as much stock as is desired at as low prices as possible and then by means of wash transactions (see *Washing*) in the stock advance the price to a point where the stock actually held can be sold at a satisfactory

profit. If it is a bear pool the first step is to sell short (sell stock not owned) to the extent desired at as high prices as possible and then by means of wash transactions in the stock depress the price to a point where the stock actually sold short can be bought back at a satisfactory profit.

Stock holdings are sometimes pooled (or put in a pool) to obtain control or tie up control of a company.

Poor debtor. An insolvent debtor.

Port of entry. A port on navigable water where is located a custom house for the entry of vessels and the receipt of duties collectable on goods brought from foreign countries.

Position. In dealing in futures (contracts maturing in the future) in grain, cotton, coffee, etc., it is the practise to designate the contracts by the names of the months in which they mature. Thus, wheat sold for delivery in January is called January wheat; cotton sold for delivery in July is called July cotton, and so on. The outlook in the market for the different months is called the position. Thus, if the market for January wheat is strong it is customary to say that the January position (in wheat) is strong; or, if the market for July cotton is weak it is customary to say that the July position (in cotton) is weak.

Post. On the New York Stock Exchange a post is a standard or pillar rising from the floor to mark the place where a particular stock is dealt in. The New York Central post, for instance, is where New York Central & Hudson River Railroad stock is dealt in. At most posts two or more stocks are dealt in as there are not enough posts to allow one for each stock dealt in on the exchange.

Post-bill. See Bank of England post-bill.

Postdated. Bearing a future date. A check dated ahead is a postdated check. When a check is paid before the date written on it the money so paid can be recovered.

Post day. London term for the day on which the dealers in foreign bills (foreign exchange bills) meet in the Royal Exchange to transact business.

Posted rates. The preliminary or asking rates or prices of a seller of foreign exchange. The posted rates are usually the rates exacted for small amounts of exchange, whereas

large amounts are sold at the actual rates. For additional information see Foreign exchange rates.

Posting. A bookkeeping term, meaning the transferring of entries in subsidiary books to the respective accounts in the ledger.

Postoffice money order. An order purchased at a postoffice in one place which is payable at a postoffice in another place to a party named when the order is purchased. Such an order is in fact a bill of exchange or draft. The order is forwarded by mail by the purchaser to the payee (the one to whom the amount of it is to be paid).

Orders payable in the United States are called domestic money orders. Orders also are issued payable abroad; these are called international money orders. The charge for these orders is the amount of them, plus a moderate commission.

Pound. £; the unit of value of Great Britain (gold standard), equal to \$4.86.85. The pound is also the unit of value of Egypt (gold standard), equal to \$4.94.30.

There is no British coin of the name, but the value of the sovereign is one pound (£1). The pound sterling was originally a pound weight of silver divided into twenty parts called shillings and each shilling was divided into twelve parts called pennies or pennyweights. It takes twenty-six of the present shilling pieces to make a pound in weight.

The pound sterling and the pound Egyptian are the largest monetary units in use.

Poundage. English; a charge of so much in the pound (£).

Power of attorney. Written authority to act for another.

A general power of attorney confers authority to act in matters generally; a permanent power of attorney is good until revoked; a special power of attorney is good only for the specific act which it covers. An irrevocable power of attorney is used in transactions in stocks and bonds.

P. p. These letters stand for per procuration; see Per procuration.

PR. As printed on the tape by the stock ticker these letters mean preferred, as preferred stock.

Precedence in dealings. See Floor rules.

Preference stock. This is the English designation for stock that is preferred over other classes as to dividends and assets.

It is equivalent to what in the United States is called preferred stock when there is only one class of preferred stock or to what is called first preferred when there are two classes. Preference stock is sometimes divided into classes, as first preference, second preference, etc., with the right to dividends in the order named.

For additional information see Stock.

Preferred creditor. A creditor who is entitled by law to have his claim first satisfied from his debtor's assets. The holder of a first mortgage or other prior lien is a preferred creditor.

Preferred ordinary stock. English; also called B stock; receives a dividend at a fixed rate before any payment can be made on the deferred ordinary stock. For additional information see Preferred stock.

Preferred stock. Stock that is preferred as to dividends and assets; it must receive a dividend before a dividend can be paid on the common stock and in a distribution of assets it participates ahead of the common stock. Cumulative preferred stock is stock the dividends on which, if not paid regularly or in full, accumulate and must be paid in the future before a dividend can be paid on the common stock.

Preferred stock is the English designation for preferred ordinary (common) stock. When for dividend purposes the ordinary stock of a company has been divided into two parts called preferred or "B" stock and deferred or "A" stock the dividend on the A stock is deferred until a fixed amount has been paid on the B stock.

This B or preferred stock is not the same as preferred stock in the United States. What in the United States is called preferred stock is in Great Britain called preference stock and preference stock in Great Britain may be divided into two or more classes called first preference, second preference, etc., just as preferred stock in the United States may be divided into two or more classes called first preferred, second preferred, etc. When, however, there is but one class of preference stock ahead of an ordinary stock in Great Britain the B or preferred stock is equivalent to second preferred stock in the United States.

Preference stock is sometimes divided into classes, as first

preference, second preference, etc., with the right to dividends in the order named.

Premium. The amount paid in excess of the par (face) value.

When a stock, for instance, is selling at a premium the premium is the amount it brings beyond its par or face value.

When a stock is lending at a premium (see Borrowing and lending stocks) the premium is the amount paid by the borrower of the stock to the lender of it for the use of it. The purpose, usually, for which a stock is borrowed is to enable the borrower, who has sold it short (sold stock he did not possess), to make delivery to the purchaser.

In Great Britain when a stock or other security is at a premium the premium is reckoned at so much in the pound on shares and at a percentage on stock or bonds. See Percentage.

In insurance in Great Britain the premium is the consideration paid by the policy holder for insurance. Thus, a premium of 20 shillings per cent means that 20 shillings is the premium on each £100 insured.

For information as to premium on gold see Gold premium.

Presentation. In financial and commercial usage preference is given to the word presentation over presentment as employed in connection with negotiable instruments, such as bills of exchange (drafts) and promissory notes. For instance, it is customary in financial and commercial phraseology to say "on presentation" (for acceptance or payment) instead of "on presentment." In legal usage preference is given to the word presentment.

Presentment. See Presentation.

President. The chief executive officer of a stock company is the president and he also presides (is chairman) at meetings of the board of directors, except when the office of chairman of the board exists in addition to the office of president.

The president of a bank is its executive head. In Great Britain the head of a bank is the governor, as in the case of the Bank of England, or the manager; in Canada the head of a bank is the manager general or manager resident.

Price. The amount at which anything is valued or sold. Also see Quotation.

Price current. A printed or partly printed and partly writ-

ten form issued periodically by brokers, dealers and others to customers in their trades showing the current prices of the goods they deal in.

Price-mark. The name given to a word or to words or to a cipher or other secret device used by a merchant or other dealer to mark on goods their cost price and perhaps also their selling price, although as a rule the selling price is marked in plain figures.

In a price-mark letters or signs stand for the figures ordinarily used. An example of a price-mark follows:

1	2	3	4	5	6	7	8	9	0
V	A	N	D	E	R	B	I	L	T

Another example:

1	2	3	4	5	6	7	8	9	0
C	H	E	L	M	S	F	O	R	D

Another example:

1	2	3	4	5	6	7	8	9	0
C	A	L	E	B	S	M	I	T	H

Another example:

1	2	3	4	5	6	7	8	9	0
M	A	K	E	P	R	O	F	I	T

What is known as the old-fashioned price-mark is derived from the following device:

#

It is employed as follows, with the addition of X or O for the naught:

1	2	3	4	5	6	7	8	9	0
┌	┐	┌	┐	┐	┐	┐	┐	┐	X

Primarily liable. The person primarily liable on a negotiable instrument is the person upon whom rests the absolute requirement to pay it; all other parties are secondarily liable.

The maker of a note is primarily liable, while an indorser is secondarily liable. When a draft has been accepted the acceptor is primarily liable, while the drawer is secondarily liable. When, however, a draft has not been accepted the drawer is primarily liable. The drawer (issuer) of a check is primarily liable, while an indorser is secondarily liable. An indorser is always secondarily liable.

Primary points. Trade designation for large cities which receive grain direct from country shippers, such as Chicago.

Detroit, Duluth, Kansas City, Minneapolis, St. Louis and Toledo.

Primary receipts. Trade designation for the aggregate daily receipts of grain at the leading primary points; see Primary points.

Primary shipments. Trade designation for the aggregate daily shipments of grain from the primary points; see Primary points.

Prime bills or prime exchange. Bills of exchange (specifically foreign exchange) issued by houses of unquestioned financial ability.

Principal. The capital sum upon which interest is payable; also, the one who employs a broker or other agent.

A principal is responsible for the act of an agent, but an agent who exceeds his authority renders himself personally liable.

A person who has given money to his own agent to be delivered to his creditor cannot set up the claim that he has paid his creditor unless the money actually reaches the creditor. In other words, while the money is in the control of the agent of the debtor it is at the debtor's risk and it cannot be charged against the creditor any more than if it remained in the debtor's own hands.

For additional information see Agent.

Prior lien. A lien or claim ahead of all other liens or claims.

Prior lien bond. A bond representing a lien or claim ahead of all other liens or claims.

Private banker. A person engaged in the business of banking who is not subject to supervision by national or state authorities.

Since the enactment of the National bank act there has been no incentive for private bankers to avail themselves of the provision of state laws. As they do not now issue circulating notes they prefer to conduct their business without state interference.

Private carrier. One who carries persons or goods only by special arrangement.

Private company. English; a term applied (in contradistinction to a public company) to a company public subscription to the stock of which is not invited. When a private business is

continued as a corporation instead of a partnership and stock is allotted to each partner for his interest or share in the business the business is said to have been converted into a private company. An entirely new business or enterprise, however, may be and often is started as a private company instead of a partnership. Usually there is an agreement among the shareholders (stockholders) whereby each is prohibited from disposing of or transferring his shares without the consent of the others.

What in Great Britain is termed a private company is in the United States known as a close corporation.

Private discount. In foreign money markets this is the rate of discount quoted by others than the national or government banks; it is usually designated as open market discount; see Open market discount.

Private wire. A wire leased from a telegraph company by a broker or by any body for his exclusive use.

Private-wire house. A brokerage concern which has private telegraph wires to its branch offices or to the offices of correspondents at other points. The telephone has superseded the telegraph to some extent; private telephone wires are hired the same as private telegraph wires.

Privilege. A general name for a call, put, spread or straddle, information as to each of which is furnished under its own title.

There can be no loss to the buyer of a privilege beyond the amount paid for it. Privileges are legal and are enforceable as contracts, but they are not recognized by the New York Stock Exchange.

Privileges are often bought as a protection against loss on transactions in the stock market. Illustration: One hundred shares of stock are bought at 100. A put under which the stock can be delivered at 98 is purchased for 1 per cent, which makes the net price of the put 97. Then, if the stock goes down to, say, 94 the stock owned by the holder of the put can be put (delivered) to the issuer of the put at 98 so that the net loss is only 3 per cent instead of 6 per cent as would be the case if no put had been bought and the stock had to be sold at 94. On the other hand, should the stock go up to, say, 106

only the cost of the put, 1 per cent, would have to be deducted from the profit on the stock.

In the case of a stock sold short a call would be employed for protection against loss. If the stock were sold short at 100 and if a call at 102 were purchased for 1 per cent and the stock advanced to 106 the net loss would be only 3 per cent, as against 6 per cent if no call had been purchased and the stock had to be covered (bought back) at 106. If the stock against which the put was bought went down to 94 only a deduction of 1 per cent, the cost of the put, would have to be made from the profit on the stock.

Calls and puts on grain are based on the same general principles as those on stocks, but they are not employed to any extent except to limit loss. In some states puts and calls on grain are illegal.

Privilege broker. A broker who handles or deals in privileges—that is, puts, calls, spreads and straddles.

Procuration. See *Per procuration*.

Professional speculation. Speculation (as in stocks, grain, cotton, coffee, etc.) by men who are adepts in it or who make a regular business of it.

Professional speculator. One who is adept at or who makes a regular business of speculation (as in stocks, grain, cotton, coffee, etc.).

Profit. Excess of receipts over expenditures. Gross profit is the remainder after deduction of first cost; net profit is the remainder after deduction of cost and all charges (as interest or wages, etc.).

Profit and loss account. The surplus income account. In a balance sheet a profit and loss deficit appears as a debit; a profit and loss surplus appears as a credit.

The profit or loss of a company is shown by the change in the profit and loss item. This change, plus dividends paid, shows the actual profit.

Pro forma. For the sake of form; the term is frequently used in mercantile business.

A pro forma account is a specimen statement showing what it is considered, in the current state of the market, goods would realize. Such an account is in the same form as one used in an actual transaction except that the prices are tenta-

tive—are examples merely. The purpose of a pro forma account is to furnish to the one to whom it is rendered or sent the value or cost of a consignment or shipment of goods in the existing state of the market.

A pro forma account sales is asked for by a prospective seller of goods on consignment (consignor) when he desires to know what sum goods which he has for disposal would bring.

A pro forma invoice is asked for by a prospective purchaser who desires to obtain from the seller prices and charges on certain goods.

Promissory note. A written engagement by one person to pay unconditionally to another therein named (or to his order or to the bearer) a certain sum of money at a specified time.

A note bears interest before maturity only when so stated. "Value received" is usually written in a note but is not necessary; if not written it is presumed by the law to be or the deficiency may be supplied by proof. If the amount stated in words and the amount stated in figures do not agree the words govern.

A note given without consideration cannot be enforced by a holder having knowledge of that fact, but a note given without consideration may be enforced by a person not having a knowledge of that fact who purchased it for a consideration.

If the holder of a note fails to present it for payment promptly at maturity the maker is not thereby discharged from his liability. If the note was payable at a specified place and the maker was there at the date when due prepared to pay it this amounted to a legal tender of payment and the maker cannot thereafter be charged with interest as being in default. But the principal of the note he is still legally bound to pay.

If there are other persons who are only secondarily liable upon the paper, (indorsers or others who have undertaken to pay it if it is promptly presented to the person primarily liable upon it, that is, the maker, and by him dishonored) they will be released if prompt presentation be not made to the original party, that is, the maker. But the obligation of the latter is absolute and not dependent upon any such condition as prompt presentation.

When a note is payable at a bank or any other specified place it is the duty of the holder to present it at the bank or place promptly on the day when it becomes due. The holder is liable for any loss resulting from the failure to make due presentation. But if there is no loss there is no liability.

In New York state a note made payable at a bank in which the maker is a depositor constitutes an order to the bank to pay the same as if it were a check. Neither form of paper takes precedence of the other and the bank is to pay them in the order in which they are presented.

When a creditor consents to take in payment of a debt a bill or note payable at a future day this act constitutes an agreement for delay. The debt is not extinguished, but the creditor cannot begin an action upon it until the bill or note falls due and default in payment is made.

In the case of a note made in one state and payable in another state any question as to its legality must be tested in the state where it is payable. Interest is chargeable at the legal rate in the state where the note is payable.

If a note is lost or stolen the maker is not released from payment; he must pay it if the consideration for which it was given and the amount can be proved.

When a note is discounted by a bank with which the maker has an account the amount of the note must be charged against the account otherwise the indorsers, if there be any, are released from responsibility.

If A buys of B on credit and it is not specified that a note shall be given for the indebtedness the buyer cannot be compelled to give a note unless there is a custom of the trade to that effect or unless the previous course of dealing between the two has been such as to imply an agreement that a note should be executed to cover the indebtedness.

For additional information see Collateral note; also see Negotiable instrument.

Promoter. One who especially assists, by securing capital, in starting or forwarding (promoting) a company. This compensation (pay) is generally in stock of the company (and generally in common stock if both preferred and common are issued).

Promoter's stock. Stock issued to a promoter for his services in promoting or aiding in the organization of a company; see Promoter.

Prompt. A commercial term, meaning the date fixed for payment. When goods are sold with a prompt the goods must be taken up and paid for on the date specified. Thus, when goods are sold with a 60-day prompt the buyer must receive and pay for the goods at the end of 60 days.

Prompt cash. Immediate cash payment.

Prompt note. A commercial term; a note or memorandum delivered by the seller to the purchaser of goods specifying the sum due and the date of payment.

Proof piece. One of the first coins struck from a new die, which may be the die for a new coin or a new die for an old coin. It is a perfect coin, specially polished, and is prized by numismatists. New dies for all coins are employed at the beginning of each year bearing the date of the new year and old dies bearing the date of the preceding year are destroyed.

Proportion of reserve to liabilities. This term is applied to the percentage of its deposits held in cash by a bank. See Reserve.

Proprietary company. One which owns, or at least owns control, of another company, while not operating it; same as controlling company.

Prospectus. A paper or pamphlet containing information as to a proposed undertaking; a summary or outline of a plan or scheme.

Protest. A notarial certificate that a promissory note or bill of exchange has been presented for acceptance or for payment and that acceptance or payment has been refused.

On the day of the maturity of a note or bill of exchange (the day on which payment is due) or the day on which a bill of exchange should be presented for acceptance the notary, with the instrument in his possession, must present it at the place where it is payable or where acceptance is to be made and on refusal or failure to obtain payment or acceptance he must notify in person or by mail the indorsers (in case of a bill of exchange that is without indorsement he must notify the drawer). If no place of payment in the case of a bill or note calling for payment is mentioned in the instrument it must be presented at the place of business of the payer (the

one who is to pay it) ; if there is no such place of business then it must be presented at the payer's place of residence.

When a draft or note is not paid at maturity and it is formally protested and so inscribed this step establishes a basis of proceeding by law for the collection of the amount of it. When an indorsed draft or note is protested a demand for its payment may be made upon the indorser. The amount of a protest fee is added to and becomes part of the principal. Interest continues on the whole until payment of the note is finally made.

The effect of a protest is to prevent the release of the indorsers on an instrument. Such parties are discharged if the instrument is not protested.

When a bill has been noted the protest may be extended as of (back to) the day of noting. The protest should be commenced on the day on which acceptance or payment is refused, but it may be drawn up and completed at any time before the commencement of suit or even before or during trial and be antedated accordingly.

If a bank holds for collection a check which has been allowed to go to protest and if the drawer afterwards makes a sufficient deposit to cover the check, without specific instructions, the bank may apply the deposit to the payment of the check. The authority of the bank to make the collection continues, the maker of the check has not revoked the authority to pay contained in it, he has made a general deposit without any instructions as to the disposition which is to be made of it and every element is present which is necessary to confer upon the bank a right to honor the check.

Protest for non-acceptance. Protest on refusal of the drawee (the one drawn on) to accept a bill of exchange or draft. For additional information see Protest.

Protest for non-payment. Protest on refusal of the maker of a promissory note or the drawee of a bill of exchange or draft to pay it at maturity (when due). For additional information see Protest.

Protest waived. When an indorser writes above his indorsement (signature) "Protest waived" the necessity of protesting the instrument to hold the indorser is dispensed with.

Provisions. Under this head in the country's exports come

beef, fresh, salted, pickled or otherwise cured or canned; tallow, bacon, hams; pork, fresh, salted, pickled or canned; lard, lard compounds and substitutes for lard, such as cot-tolene, lardine, etc.; mutton, oleo (the oil), oleomargarine (imitation butter), poultry and game; sausage and sausage meats, sausage casings and all other meat products; butter, cheese and milk.

Proxy. A person who is empowered to represent another in a given matter; the name is also given to the instrument by which a person is empowered so to act.

A person who votes by proxy on stock belonging to another is said to hold a proxy on the stock.

P. T. Used in the grain trade; signifies private terms.

Public company. English; a term applied (in contradistinction to a private company) to a company to the stock of which the general public is invited to subscribe.

Public credit. The reputation and ability of a government to pay its obligations.

Public credit act. On March 18, 1869, Congress pledged the faith of the United States to the payment of United States notes (greenbacks) in coin or its equivalent and to make provision at the earliest possible period for their redemption in coin.

Public debt. Same as national debt; the debt due from a nation to individual creditors.

The public debt of the United States consists of bonds, United States notes (greenbacks), old demand notes (notes issued prior to the present United States notes), National bank notes for the redemption of which money has been deposited by the issuing banks, fractional currency, gold certificates and Treasury notes (issued for the purchase of silver bullion).

Public depository. A bank, trust company or other institution legally designated to receive deposits of public funds. The institution usually is required to provide a bond or other security for the safe keeping and return of the funds; sometimes it is required to pay interest on these funds at a rate fixed by law.

Public funds. An English term, meaning the debts of the British government.

Public loan. Money borrowed by a government at a specified rate of interest.

Public securities. Securities issued by the government and by states, counties and municipalities.

Public stock. A former name for the interest-bearing obligations of the government represented by certificates; now called bonds.

Punitive damages. Same as exemplary damages; an amount allowed as punishment for a malicious or aggravated injury.

Punter. London Stock Exchange name for a constant speculator who is satisfied with small profits; it means the same as the term scalper on the New York Stock Exchange.

PUR. As printed on the tape by the stock ticker these letters mean purchasing receipt.

Purchase money. The money paid or agreed to be paid for property bought.

Put. A put (on a stock) is a contract or written agreement binding the issuer to receive from the holder stock named in the agreement within a certain time at a certain price if the holder shall so demand, or in other words, shall elect to deliver (put) the stock. For example, A signs a promise to receive 100 shares of some specified stock from B at 100 at any time within 60 days if B so demands. A sells this promise to B for, say, \$100. If within the 60 days the stock falls in price so that B can buy it at a profit B buys it at the lower price and calls on A to receive the stock. The stock must go below 99 before there is a profit for B. If the stock advances or does not fall below 99 B, of course, does not deliver (put) it and A makes \$100 on his risk. In delivering the stock B must give one day's notice, except on the last day, when no notice is required.

If a dividend becomes due on a stock during the pendency of a put on it the dividend goes to the seller of the put if the stock is put (delivered) to him. A dividend always goes with the stock.

A put on grain or any other speculative commodity is based on the same general principle as in the case of stocks.

For additional information see Privilege.

Put and call broker. A broker who handles or deals in privileges—that is, puts, calls, spreads and straddles.

Put of more. London Stock Exchange term; a put of more gives the holder the right to put (deliver) to the buyer an additional amount of stock equal to the amount named in the bargain, or in other words, to put twice as much stock as is named in the contract. If a man sells £1,000 consols, with the put of more, at 96 1-2 he can deliver £2,000 to the buyer. For this extra right or privilege the holder of the put pays an extra price.

Pyramiding. A system of enlarging operations by use of paper profits (profits in transactions not yet closed and consequently not yet in hand).

Illustration: One hundred shares of stock of the par value of 100 is bought at 10 on a margin of 5 per cent. The stock advances to 15. There is a profit of 5 per cent which can be used as margin in the purchase of 100 shares more. The price goes up to 20. There is then a profit of 5 per cent on the second lot and an additional profit of 5 per cent on the first lot, so that there is an unencumbered profit of 10 per cent on 100 shares or 5 per cent on 200 shares. The profit is utilized as margin for the purchase of 200 shares more. The price goes up to 25. Then there is an unencumbered profit of 5 per cent on the whole 400 shares or 20 per cent on 100 shares. This profit is used to buy 400 shares more.

Then, perhaps, the price drops back to 20. There being only 5 per cent margin on the whole 800 shares the whole accumulated profit of \$3,500 disappears, as well as the margin of 5 per cent provided for the purchase of the first 100 shares. Should the price go on up to 30, however, the profits would be increased by \$4,000 which would provide 5 per cent margin for 800 shares more of stock, making the total amount of stock held 1,600 shares 1,500 of which would have been purchased with profits.

Selling stock at intervals on a decline, using profits for margin, is pyramiding, as well as buying it on profits on an advance.

Pyx. A receptacle for coins selected for trial as to fineness and weight at a mint.

Q

Quadrangular operation in exchange. An operation in which four places are involved. For additional information see Arbitration of exchange.

Qualified indorsement. An indorsement without recourse; see Without recourse.

Quarter. A quarter of wheat comprises eight bushels or 480 pounds.

Quarter-dollar. The silver coin weighing 96.45 grains; it is .045 inch thick and its diameter is .95 inch.

Quarter-eagle. The name given to the \$2.50 gold coin of the United States; weight, .64.5 grains; thickness, .034 inch; diameter .75 inch.

Quarter-stock. Stock of the par value of \$25, instead of \$100.

Quick assets. Property applicable to the payment of debts which is quickly convertible into cash.

Quid. English colloquialism for £1 (one pound sterling).

Quintal. A metric measure equal to 220.46 pounds avoirdupois.

Quotation. As commonly used the term quotation means price.

Stock quotations are in eighths of 1 per cent; grain quotations and quotations for pork, lard and short ribs are in eighths of a cent; cotton quotations are in hundredths of a cent, one hundredth being a point; coffee quotations are in hundredths of a cent, one hundredth being a point, but a difference or change in a quotation cannot be less than five hundredths; silver bullion quotations are in eighths of a cent.

On the London Stock Exchange quotations are for the most part in pounds and fractions of a pound. Fractions of £1 (one pound), rising by 1-16, with their equivalents, are:

1-16 equal to	1 shilling	3 pence	9-16 equal to	11 shillings	3 pence
1-8 " "	2 shillings	6 "	5-8 " "	12 "	6 "
3-16 " "	3 "	9 "	11-16 " "	13 "	9 "
1-4 " "	5 "	0 "	3-4 " "	15 "	0 "
5-16 " "	6 "	3 "	13-16 " "	16 "	3 "
3-8 " "	7 "	6 "	7-8 " "	17 "	6 "
7-16 " "	8 "	9 "	15-16 " "	18 "	9 "
1-2 " "	10 "	0 "			

British consols are not quoted in pounds and fractions of pounds, but by percentage the same as stocks and bonds are quoted on the New York Stock Exchange.

On the London Stock Exchange the jobber (dealer) when asked for his quotations gives both a buying and selling price. If, for instance, he says 99 7-8—100 1-8 he means that he will pay 99 7-8 for the stock or will sell at 100 1-8.

Also see Percentage.

Quotations for exchange. Same as exchange rates; see Exchange rates.

R

R. As printed on the tape by the stock ticker this letter means registered, as registered bonds.

Also, the letter R when written in a memorandum (report) of a transaction in stocks or bonds means bought (or sold) in the regular way; see Regular way.

Also, the letter R stands for rupee, the monetary unit of India.

Ragged bond. A bond from which coupons not yet due have become detached. In such a case the coupons are pinned to the bond.

Rag money. A colloquial name for depreciated paper money. This name was applied to the United States note (greenback) when it circulated at a discount prior to the resumption of specie payments in 1879.

Rail. Abbreviation used on the London Stock Exchange for the stock of a railroad company.

Also see Railroad rail.

Railbird. A name given to a speculator who hung on (stood outside) a rail that formerly encircled or partly encircled the board room (trading room) of the New York Stock Exchange. Non-members on payment of an annual subscription were allowed to enter the exchange, although re-

quired to remain outside of the rail. They were officially known as subscribers. The privilege obtained by subscribers enabled them to take quick advantage of changes in prices by reason of their being on the scene and having prompt access to their brokers.

Railroad earnings. In compiling railroad reports the total earnings or receipts from traffic are set down as gross earnings and the remainder, after deducting operating expenses (cost of handling traffic), is net earnings. To net earnings is added other income (usually derived from investments, which are often in the form of securities held to control other roads) and the total is gross income (as distinguished from gross earnings). From gross income are paid rentals and other charges, interest requirements (commonly called fixed charges), etc. The remainder is designated as net income. From it are paid dividends and what is left is surplus.

In reporting gross earnings it is the practise to divide each month into four weeks. The first seven days are counted as the first week, the second seven days as the second week and the third seven days as the third week, while the remaining days of the month are counted as the fourth week. In a month of 30 days the fourth week consists of nine days and in a month of 31 days it consists of ten days. Thus, the fourth week may contain two Sundays.

The custom is to compare railroad earnings in a given period with those in the corresponding period in the year before. Railroad traffic is light on Sunday, so that when a fourth week containing two Sundays is compared with a fourth week containing only one Sunday, or vice versa, allowance must be made for the difference in the number of working days (week days). Likewise, in a monthly report of earnings a month may contain five Sundays, whereas the same month in the preceeding year may have contained only four Sundays, or the reverse.

A railroad as a rule makes a weekly report of gross earnings; it makes a monthly report of gross and net earnings, with deductions for charges of all kinds, so that a monthly report takes account of everything in the month in question; and finally the road makes a yearly (annual) report which is a consolidation of the twelve monthly reports

with details added and with remarks by the president and other officers.

Railroad pass. A ticket or certificate which confers the privilege of riding free on the railroad by which it is issued.

Railroad rail. The rail used on a railroad is reckoned by weight at so much per yard (3 feet). Thus, a 60-pound rail weighs 60 pounds to the yard, an 80-pound rail 80 pounds to the yard, and so on. The customary length of a rail is 30 feet.

Railroad returns. Reports of railroad earnings; see Railroad earnings.

Railroad traffic. Passengers and freight (merchandise, etc.) transported by a railroad.

Raised check. A check in which the amount as originally written has been fraudulently increased.

A bank which pays a raised check is responsible for the difference between the amount authorized to be paid and the amount actually paid. There are circumstances, however, in which responsibility may not attach to the bank. A person may make out a check for \$25 and leave a space between the words "twenty-five" and the word "dollars" and also leave blank the space where the amount is to be written in figures. Then, if "hundred" is written after the words "twenty-five" and "\$2,500" is written in the space provided for the amount in figures so that the check calls for the payment of \$2,500 instead of \$25 the bank escapes responsibility for the reason that there was negligence in making out the check.

Again, if a check is made payable to a person designated by name, but space is left after the name so that "or bearer" may be written in the bank is not responsible if it makes payment to a person other than the one intended.

Rates for money. See Money rates.

Rates of exchange. See Domestic exchange rates; also see Foreign exchange rates.

Rating. Grading or classifying.

The term rating as applied to the credit of an individual, firm or corporation means an estimate of his or its ability and disposition to fulfil financial obligations.

Ratio. In coinage ratio is the term used to express the

equivalent between gold and silver. The ratio of 16 to 1, for instance, means that 1 ounce of gold is counted as worth 16 ounces of silver.

In the United States the ratio of the silver dollar (the coin) to the gold dollar (the coin) is 15.988 (or nearly 16) to 1; the ratio of the subsidiary silver coins (half-dollar, quarter-dollar and dime) to the gold dollar is 14.953 to 1.

The actual or market ratio of gold and silver is ascertained by dividing the commercial (market) price of an ounce of fine (pure) silver into the value of an ounce of fine gold, which is fixed at \$20.67.2.

The coinage value in gold of an ounce of fine silver is as follows at ratios of 1 to 15 up to 1 to 40:

Ratio.	Value of an ounce of fine silver.	Ratio.	Value of an ounce of fine silver.	Ratio.	Value of an ounce of fine silver.
1 to 15.....	\$1.3780	1 to 23.....	\$0.8987	1 to 32.....	\$0.6459
1 to 15½.....	1.3336	1 to 23½.....	.8796	1 to 32½....	.6360
1 to 15.988		1 to 24.....	.8613	1 to 33.....	.6264
U. S. ratio	1.2929	1 to 24½.....	.8437	1 to 33½.....	.6171
1 to 16.....	1.2919	1 to 25.....	.8268	1 to 34.....	.6080
1 to 16½.....	1.2527	1 to 25½.....	.8106	1 to 34½.....	.5992
1 to 17.....	1.2159	1 to 26.....	.7950	1 to 35.....	.5906
1 to 17½.....	1.1811	1 to 26½.....	.7800	1 to 35½.....	.5823
1 to 18.....	1.1483	1 to 27.....	.7656	1 to 36.....	.5742
1 to 18½.....	1.1173	1 to 27½.....	.7517	1 to 36½.....	.5663
1 to 19.....	1.0879	1 to 28.....	.7382	1 to 37.....	.5587
1 to 19½.....	1.0600	1 to 28½.....	.7253	1 to 37½.....	.5512
1 to 20.....	1.0335	1 to 29.....	.7109	1 to 38.....	.5439
1 to 20½.....	1.0083	1 to 29½.....	.7007	1 to 38½.....	.5369
1 to 21.....	.9843	1 to 30.....	.6890	1 to 39.....	.5300
1 to 21½.....	.9614	1 to 30½.....	.6777	1 to 39½.....	.5233
1 to 22.....	.9396	1 to 31.....	.6668	1 to 40.....	.5168
1 to 22½.....	.9187	1 to 31½.....	.6562		

Ratio of reserve to liabilities. This term is applied to the percentage of its deposits held in cash by a bank.

RE. As printed on the tape by the stock ticker these letters mean real estate, as real estate bonds.

Reaction. A fall in prices after an advance.

Readjustment. Sometimes called simply adjustment; a readjustment is when the financial reconstruction or rehabilitation of a railroad or other corporation is voluntary—that is, by concurrence of the security holders. Reorganization, as distinguished from readjustment, is when the financial recon-

struction is compulsory—that is, when it is effected by a receivership and foreclosure.

In a readjustment (a financial reconstruction that is voluntary) bondholders may exchange their bonds for new bonds bearing a lower rate of interest than the old ones, but in such a case the loss in interest is compensated for by the delivery to the holders of the bonds who make the exchange of a bonus in (a gift of) stock or in some other security, such as income bonds (income bonds receive interest only if earned). Or, the bondholders may exchange their bonds for a smaller amount of new bonds, receiving stock or income bonds as compensation for the surrender of a portion of their holdings.

Again, cumulative stock may be exchanged for a larger amount of non-cumulative stock. Or, the exchange may be on even terms, with compensation for the surrender of the cumulative right on the stock. The compensation usually takes the form of a bonus of some kind, as, for instance, income bonds.

Financial readjustments without foreclosure to enforce them are not numerous.

Bonds and stock the holders of which agree to accept the terms of a readjustment plan are termed assenting bonds and stock; bonds and stock the holders of which do not accept the terms of a readjustment plan are termed non-assenting or unassenting bonds and stock.

Also see Reorganization.

Ready money. Money in hand; money immediately available.

Real damages. A legal term; actual or express damages.

Real estate bond. A bond issued under a mortgage on real estate.

Realizing. Selling or buying stocks, as the case may be, in order to secure profits that have accumulated.

Real money. Actual gold or silver, as the case may be, in which values are measured. Representative money is the promise to pay real money on demand and is used either for convenience in handling or to augment the supply.

Real stock. Stock in the hands of an actual owner. Sales of real stock mean sales by genuine holders of stock which

will be delivered, as opposed to short or bear sales by speculators.

Rebate. Same as drawback. When part of an amount paid is returned such return is designated a rebate.

A rebate on imported goods on which duty has been paid is a repayment, in part or in whole, of the duties on the subsequent exportation of the same goods in their original or in another form.

A rebate on freight rates is a repayment, in part, of the rates (or charges).

Rebate rate. The name given to the rate of drawback or allowance for the payment before maturity (before due) of a time bill of exchange. A deduction is made from the amount of the bill equal to interest at an agreed rate for the unexpired time which the bill has to run.

Receipt. An acknowledgment of the payment of money or discharge of an obligation or an acknowledgment of the possession of something.

A receipt for money is not always conclusive. A receipt is held to be true until shown to be false. The one who alleges its falsity must prove his allegation. When proved to be incorrect or false a receipt ceases to be binding. A check delivered and paid is the best kind of evidence of the payment of an obligation.

It is a common practise of express companies to issue receipts relieving them of liability beyond \$50 for loss unless the value of the package is given at the time of shipment. This has been held to be a reasonable condition on the ground that the express company in accepting goods of greater value than \$50 is entitled to be informed of the full value if it is to be held responsible therefor in order that it may charge more for its service and take better care of the goods. When a receipt containing a limitation of liability is accepted by the shipper he is assumed to have assented to the condition and he is accordingly bound by it.

Receiver. A person appointed by the court to take into his custody, control and management the property or funds of another (or of a corporation) pending judicial action concerning them. He is an officer of the court, represents it and is

amenable to its orders as to the property and any interference with his authority is contempt of court.

Receiver's certificate. A certificate issued by a receiver for the purpose of raising money for a corporation that is within the jurisdiction of a court. Such a certificate constitutes a first lien upon the net earnings and property of the corporation.

Receivership. The office and functions of a receiver.

Receive ticket. A memorandum ticket given by the buyer of stocks or bonds in confirmation of the transaction previous to the delivery of the securities. This operation is called comparison; see Comparison.

Receiving house. Trade name for a concern whose business is the receiving and selling of cash grain (cash grain being the actual cereal and not the contracts entered into in speculative operations).

Receiving teller. The clerk in a bank who receives deposits; often called second teller.

Reclamation. A demand for the substitution of a security that is a delivery when a security that is not a delivery has been delivered. For information see Rules for delivery.

When a bank for some reason rejects a check or draft received through the clearing house it makes reclamation for the amount on the bank which sent it to the clearing house.

Recoinage. The melting of worn (abraded) coins and the recoinage of them. An appropriation is annually made by Congress to cover the loss on the recoinage of worn pieces.

Reconstruction. The English term for reorganization; see Reorganization.

Recovery. A rally in prices after a decline.

Redback. A name given to a non-interest-bearing treasury note of the former Republic of Texas, issued in 1838. The name was derived from the fact that the back of the note was printed in red.

Red dog money. In the early part of the last century (prior to the formation of the State Bank of Indiana in 1834) the state of Indiana issued circulating notes (money) in denominations of \$5, \$10 and \$20. They were receivable for taxes and bore interest. They depreciated in value to 60 cents on the dollar and the opprobrious name of "red dog

money" was applied to them. They were all finally redeemed at their full value.

The term "red dog money" (or yellow dog money) came into general use in describing depreciated notes issued by other states and by banks in other states than Indiana. The term was practically synonymous with "wildcat money;" see Wildcat money.

Redeemable bond. One which may be redeemed (paid) at some specified future time, after which interest on it ceases. The English name is redeemable stock.

Redemption. The payment of a debt, as the redemption (payment) of bonds or the redemption by a bank of its notes.

Redemption agent. The name given to a bank which is a member of the clearing house and which clears for another bank which is not a member; also called clearing house agent. A bank which is a clearing house member can act for a bank which is not a member only by consent of the clearing house committee.

Formerly a national bank not located in a reserve city might, in addition to redeeming its own notes at its place of business, designate another national bank in any of the reserve cities specified in the National bank act as an agent for the redemption of its notes. The act of June 20, 1874, abolished the provision for redemption agents and compelled national banks to keep in the Treasury for the redemption of their notes an amount of lawful money equal to 5 per cent of their notes outstanding. They were allowed to count this 5 per cent in their reserves held against deposits. The Treasury thus became the redemption agent of the national banks, but they were not relieved of the obligation of redeeming their own notes on demand.

Redemption cities. Reserve cities, the national banks in which were formerly permitted to act as agents for the redemption of notes issued by national banks not located in reserve cities. The act of June 20, 1874, abolished this provision. Notes of national banks are now redeemed by the banks issuing them or by the Treasury.

Redemption drawing. A drawing for the redemption (payment) of bonds, the terms under which they were issued permitting redemption in such manner. A drawing usually takes

place at stated intervals and the bonds bearing the numbers drawn are redeemed.

Redemption fund. The gold standard act of March 14, 1900, provided that a fund of \$150,000,000 in gold should be set aside and maintained for the redemption of United States notes (greenbacks) and Treasury notes (notes issued under the Sherman act for the purchase of silver bullion). United States notes so redeemed may be reissued for gold.

Also, a redemption fund is a fund established for the redemption of a private debt (as the bonded debt of a corporation) as well as a public debt.

Rediscount. The resale of a promissory note or bill of exchange (draft). For instance, when a note has been sold and the buyer sells it again it is rediscounted.

Red list. A list (longer than the blue list) of practically all the stocks actively dealt in on the New York Stock Exchange printed on red paper daily. The high, low and last prices are given, together with the number of shares of each stock dealt in.

Re-draft. This is a draft on the drawer of a bill of exchange for the amount of it and the protest fee and other charges when the draft has been dishonored by the drawee (the one who was to have paid it).

Re-exchange. When a bill of exchange is dishonored by the drawee (the one upon whom it is drawn) and is paid by another party for the honor of (for the account of) the drawer the party paying it draws for the amount of it, together with the protest fee and other charges, upon the drawer. This operation is called re-exchange.

Re-exports. Raw material imported and then exported as finished articles.

Refunding. To fund anew; to replace by a new loan.

Refunding acts. The first general refunding act was approved July 14, 1870, and the second was approved January 20, 1871. Under these acts about \$1,400,000,000 bonds were issued of which \$500,000,000 were 5 per cent ten-year bonds, redeemable May 1, 1881; \$185,000,000 were 4 1-2 per cent fifteen-year bonds, redeemable September 1, 1891, and the remainder were 4 per cent thirty-year bonds, redeemable July 1, 1902.

The gold standard act of March 14, 1900, provided for the redemption into 2 per cent thirty-year bonds of the 5 per cent bonds payable February 1, 1904, the 4 per cent bonds payable July 1, 1907, and the 3 per cent bonds payable August 1, 1908.

Registered bond. A registered bond is one registered in the name of the owner and the bond itself bears his name. Such a bond is transferable the same as a stock certificate. The bond itself contains a form for assignment and transfer. When a registered bond is transferred a new bond is issued for the old one just as when a stock certificate is transferred a new certificate is issued for the old one.

The interest on a registered bond is paid by check, which is sent by mail to the postoffice address of the owner of the bond. Due notice of change of address should, therefore, be given. The old address should be given as well as the new one.

There are some registered coupon bonds, but such issues are not numerous.

Registered coupon bond. A bond the principal of which is payable only to the one whose name is inscribed on it and in whose name also the bond is registered (entered on the books of the company issuing it), while the coupons calling for the payment of the interest as it becomes due are payable to bearer.

Registered letter or registered mail matter. When a letter or parcel sent by mail is registered the postmaster of the postoffice where it is received makes a formal record of it and furnishes a receipt for it to the sender and returns to the sender an acknowledgment in writing by the one to whom it was sent of its delivery to him. Special care is taken in the transmission of the letter or parcel, but the government will not make restitution in case of loss.

Registered stock. In Great Britain registered stock is stock registered in the name of the owner in the books of the company issuing it, although the owner receives a certificate of stock as well. This certificate, however, is not a negotiable instrument; the possession of it does not carry with it the ownership of the stock. Before the stock can be transferred

to another the signature of the owner (or of his attorney) is again required; the certificate must also be surrendered.

Registrar. A bank or trust company appointed by a company to keep a record of its stock and to certify that the name on the certificate is that of the owner of record.

A registrar acts as a check on the transfer agent (or transfer office) and certifies when new certificates are issued that the old ones have been canceled. Thus, there can be no over-issue or duplication of stock.

Regret. See Allotment and regret.

Regular lot. In transactions on the New York Stock Exchange a regular lot is 100 shares of stock or \$10,000 of bonds; the rules of the exchange provide that an offer to buy or sell shall be accompanied with a specific number of shares or amount (face value) of bonds, but when no number or amount is named it shall be considered to be for 100 shares of stock or \$10,000 (face value) of bonds.

Regular lots of commodities are: Grain, 5,000 bushels; lard, 250 tierces (85,000 pounds); pork, 250 barrels; short ribs, 50,000 pounds; cotton, 100 bales (50,000 pounds); coffee, 250 bags, (32,500 pounds); silver bullion 1,000 ounces.

On the London Stock Exchange an order to buy (or sell) 1 means to buy (or sell) stock of the total par or face value of £1,000. Accordingly, 1-2 means £500 and 5 means £5,000.

Regular notice. Speculation in commodities (grain, cotton, coffee etc.) is in certificates (warehouse receipts which call for the actual property). On a future contract (a contract calling for the delivery of the commodity in a specified future month) which is at seller's option a certain number (according to the rules of an exchange) of days' notice must be given by the seller to the buyer of an intention to deliver the commodity (that is, the certificate representing it) and collect payment for it. When the contract is at buyer's option a certain number of days' notice to make delivery must be given by the buyer to the seller. This notice is called a regular notice. There also is a short notice; see Short notice.

Regular way. The term employed on the New York Stock Exchange to designate a transaction when delivery of the stock (or bonds) is to be made on the following day before or at 2.15 o'clock.

Rehabilitation. See Readjustment; also see Reorganization.

Rehypothecation. The hypothecation again of collateral already hypothecated. Rehypothecation, except by consent of the owner of the collateral, is illegal.

When a customer deposits with a broker securities instead of money as margin he hypothecates the securities with the broker. In effect he obtains a loan on them. The margin represents the loan. He signs an agreement with the broker whereby the broker is permitted to rehypothecate the securities—is permitted to use them as collateral in obtaining a loan for himself. If the broker defaults on the loan he has obtained on the securities and the securities are sold to satisfy the loan the owner of the securities (the broker's customer) cannot recover the securities. He is without recourse except that he may proceed against the broker to recover the difference between the value of the securities and what he may owe the broker in margin or otherwise.

Also, when stocks (or bonds) are bought on margin the broker's customer gives the broker the right to hypothecate them. This is necessary as the customer is the real owner of the securities—they are bought for his account and risk.

Reichsbank. The name commonly used in referring to the Imperial Bank of Germany, which is the imperial bank or bank which receives holds and disburses the funds of the state (government). Translated Reichsbank is Imperial Bank.

Reichsmark. An old name for mark; translated reichsmark is imperial mark. Exchange on Germany is still quoted in reichsmarks.

Reimbursement credit. This is a form of credit that figures in dealings in both domestic and foreign exchange.

If a seller of goods in Boston to a buyer in Chicago desires to receive his pay for them in New York the buyer in Chicago establishes a credit in New York which the seller in Boston may draw against. Subsequently the one with whom the credit is established in New York draws upon the buyer in Chicago or else the buyer in Chicago makes a remittance for the amount which the Boston seller draws for. If a seller of goods in China to a buyer in New York desires to receive his

pay in London the process is the same as in the case of the seller in Boston to the buyer in Chicago.

Reinvestment. The using of interest and dividends to make new purchases of securities.

Reissuable notes. Money in the form of notes which after being paid may again be put in circulation. United States notes (greenbacks) and national bank notes are the only re-issuable notes.

Released indorsed bond. Any indorsement on a coupon bond stating that it has been deposited as security for bank circulation (bank notes) or for insurance requirement may be released by an acknowledgment of the release before a notary public; it will then be a delivery in accordance with New York Stock Exchange rules as a released indorsed bond.

Sometimes the owner of a coupon bond inscribes the fact of his ownership on the bond, as, for instance, "This bond is the property of John Jones." In such a case in making a change in the ownership of the bond a formal assignment of it in blank must be executed by the owner and it then may be sold under the New York Stock Exchange rules specifically as a released indorsed bond.

Remargining. In a speculative transaction this term means replenishing margin which has been partly or wholly exhausted by an adverse movement in prices.

Remargining a loan. Same as replenishing a loan; providing additional collateral. For additional information see Collateral loan.

Remittance. Money (or its representative, as a bill of exchange or draft or other order for money) forwarded from one place to another is a remittance; also, the act of forwarding it is remittance.

Remitter. The person who forwards a bill of exchange (draft) or other order for money to a person in another place.

Remonetize. To reinstate as lawful money.

Renewal. When a loan of money becomes due and it is continued for another period that is a renewal of the loan. When a stock that has been borrowed is called (its return demanded) and it is re-borrowed from the same or from another lender that is a renewal of a stock loan.

Rentes. The government bonds of France. The bonds of some other European governments also bear the same name.

Renunciation form. English name for the form (blank) signed by a shareholder (stockholder) when he transfers (sells) his right to participate in a privilege accorded by a company, as, for instance, the right to subscribe for new stock to be issued by the company.

Renunciation of right. London Stock Exchange term for the transfer (sale) of a right accorded to a shareholder (stockholder) in a company, as, for instance, the right to subscribe for new stock to be issued by the company.

Reorganization. When the financial reconstruction or rehabilitation of a railroad or other corporation is voluntary—that is, by concurrence of the security-holders—the term readjustment applies. When the financial reconstruction is compulsory—that is, when it is effected by a receivership and foreclosure—the term reorganization applies. Most reconstructions are compulsory; they seldom can be effected except by legal process following insolvency.

The method of reorganization is ordinarily as follows: After default has been made in interest on bonds, say the first mortgage bonds, a receiver is appointed, after which a plan of reorganization is formulated. Provision usually is made in the plan whereby the first mortgage bonds, together with the accumulated unpaid interest, are to be paid in full. Such holders as may desire to do so take for their bonds bonds of a newly formed company, with perhaps stock for the unpaid interest. Such holders as prefer cash for their bonds and unpaid interest are paid in cash. It sometimes is the case that the holders of bonds who take bonds of the new company for their old bonds receive the unpaid interest in cash.

The money to pay those bondholders who prefer cash (and to pay unpaid interest if it is to be paid in cash) and to provide other needed funds and working capital is raised by levying an assessment on the stock (on the holders of the stock at so much per share). Then, an order for a sale of the property under foreclosure is obtained from the court (the property being under the control of the court after the appointment by it of a receiver).

The sale wipes out the bonds and the stock. The proceeds

of the sale, however, must go toward the liquidation of the mortgage debt. The property (generally) is bid in by a committee of the bondholders for the benefit of the bondholders. The reorganization plan (generally) is primarily in the interest of the bondholders and only secondarily in the interest of the stockholders.

After the formulation of the reorganization plan and previous to the sale of the property an underwriting syndicate is formed which agrees to take, pay for and make exchange of the bonds the holders of which prefer cash and to pay the assessment on stock the holders of which decline to pay the assessment. The syndicate receives new stock for the old stock on which it pays the assessment, which old stock the holders who do not pay the assessment lose entirely by reason of its being wiped out by the sale under foreclosure. The syndicate (generally) receives a commission (in new securities or cash or both) on the whole issue of new bonds and the whole issue of new stock for guaranteeing the reorganization plan—for agreeing to pay for and exchange for new bonds such old bonds as are not exchanged by the holders and for guaranteeing to pay the assessment on stock the holders of which decline to pay it. As a rule an underwriting syndicate has to pay for few bonds, the holders preferring to exchange, or in other words, convert them into new bonds; likewise, the syndicate as a rule has to pay the assessment on no large proportion of the stock, the holders, for the most part, preferring to pay it. New securities (either bonds or stock) are customarily given for the assessment on the stock (as a compensation for the assessment money paid).

Sometimes there is an assessment on the bonds, as when the property is not worth the amount of the bonds; sometimes, also, new bonds for a less amount are given in exchange for the old bonds; and usually the interest on the new bonds is at a lower rate than the interest on the old bonds. Second mortgage bonds or other bonds subsequent in lien to the first mortgage bonds are usually subjected to assessment; new securities are almost invariably given as compensation for the assessment.

Also see Readjustment.

Replenishing a loan. Same as remargining a loan; provid-

ing additional collateral. For additional information see Collateral loan.

Replevin. Replevin is a provisional remedy by which property claimed is taken, pending decision as to its ownership, into the custody of the law in order to prevent its being disposed of or secreted by the defendant. The plaintiff is required to give a bond to indemnify the defendant for any loss or damage sustained in case possession of the property is awarded to the defendant.

Report. The name is given to a memorandum furnished by a broker to his customer containing information that the customer's order has been executed, with details as to price, etc.

On the Paris Bourse the word report means the same as *contango* in London or the same as interest or carrying charge in New York.

Representative money. Representative money is anything promising to pay money which circulates as a medium of exchange. It is usually made of paper, but sometimes of a cheap metal. In the case of paper money the promise to pay is printed on it; in the case of metal money the promise to pay is expressed in the laws.

Repudiation. The rejection, in whole or in part, of a contract, debt or obligation. The term applies in particular to the rejection or mandatory scaling of its debt by a government.

The word repudiation as applied to the rejection of a debt by a state was first used in 1841 when the state of Mississippi repudiated bonds issued to railroad companies which failed to comply with conditions on which they received them.

Requirements for listing. A circular furnished by the New York Stock Exchange containing the requirements that must be complied with to gain for an issue of stock or bonds admission to dealings at the exchange. For additional information see Admission to dealings at the New York Stock Exchange.

Reserve. See Bank reserve.

Reserve agent. A national bank in which another national bank keeps part of its legal reserve; the first bank is the reserve agent of the second bank. For additional information see Bank reserve.

Reserve cities. The places in which national banks are situated are divided into three classes—places that are not reserve cities, reserve cities and central reserve cities. Places that are not reserve cities comprise the greater number of places, national banks in which are required to maintain a reserve of (keep on hand) 15 per cent of the amount on deposit with them, three-fifths of which reserve, however, may be deposited by them with banks in reserve or central reserve cities. Reserve cities are places of more importance, at least as financial centres, than the places which are not reserve cities. National banks in reserve cities must maintain a reserve of 25 per cent of their deposits, one-half of which may be deposited in banks in central reserve cities. Central reserve cities are the chief financial centres, of which New York is foremost. National banks in reserve cities must maintain a reserve of 25 cent in their own vaults.

Reserve cities are Albany, Baltimore, Boston, Brooklyn, Cincinnati, Cleveland, Columbus, Denver, Des Moines, Detroit, Houston, Indianapolis, Kansas City, Kan., Kansas City, Mo., Lincoln, Los Angeles, Louisville, Milwaukee, Minneapolis, New Orleans, Omaha, Philadelphia, Pittsburg, Portland, Ore., St. Joseph, St. Paul, San Francisco, Savannah, Washington.

Central reserve cities are Chicago, New York, St. Louis.

Banks in places which are not reserve cities are unofficially designated as country banks.

Reserve liability on bank shares. Practically all banks in Great Britain have a large amount of capital only callable—that is, subject to demand upon the holders of shares (of stock)—in case of disaster. The purpose of the reserve liability is to afford security to depositors.

Resources. The aggregate of available property; the opposite of liabilities. In business resources include cash on hand, merchandise, bills receivable, etc.

Respondentia. A loan of money on the cargo of a vessel which the borrower undertakes to repay with interest, provided the cargo arrives in safety at the port of destination; the contract or instrument for borrowing on a vessel's cargo is likewise called respondentia.

Rest. See *Bank of England rest*.

Restrictive indorsement. An indorsement so worded as to restrict the further negotiability of the instrument. The words "For collection" written on a promissory note render the instrument restrictive. The indorser in such a case may hold that he is not the owner of the note and did not mean to give title to it or to its proceeds when collected; such an indorsement merely makes the indorsee agent for the indorser in collecting the note.

Resumption act of 1875. A bill enacted into law January 7, 1875, which provided for the resumption of specie payments by the government on January 1, 1879.

When the day appointed for resumption arrived the Treasury held more than \$114,000,000 in gold in excess of outstanding gold certificates and the premium on gold in the market had disappeared. In fact greenbacks (paper money) were at par on December 17, 1878. The Gold Room in New York, where speculative operations in gold had been carried on, closed the following day and never reopened. No gold was withdrawn from the Treasury on resumption and only \$11,000,000 was withdrawn during the year.

Resumption of specie payments. See Resumption act of 1875.

Retail. Goods sold at retail are goods sold in small quantity.

Return. The term return is used as a synonym for report, as, for instance, the return of earnings of a railroad or industrial company.

The term return is also used as a synonym for statement, as the return (statement) of the financial condition of a bank or other corporation.

The term return is also used to signify the yield of securities (stocks and bonds) in dividends or interest. See Income basis.

The term return as used at the Banker's Clearing House in London means an article (check, or draft or other paper calling for payment) which the bank to which it was presented for payment returned because there were not funds to meet it or because it was not properly indorsed or for some other reason.

Also see Bank of England return.

Revenue account. Same as income account; see Income account.

Ribs. See Short ribs.

Rig. On the London Stock Exchange there is said to be a rig in a stock when a set of speculators have combined to buy up the available supply so as to make the stock scarce with the purpose of effecting a rise in the price of it. The corresponding term on the New York Stock Exchange is corner; see Corner.

Rigging the market. A Wall Street term; manipulating the market.

Right. As a financial term the word means the right or privilege to subscribe for a stock or bond.

When a company proposes to increase its capital stock it is the custom for it to give its stockholders the right, in preference to the general public, to subscribe for the new stock in amounts proportionate to their holdings of the old stock.

An allotment or accepted subscription in an underwriting is a right.

Ring. The term ring applies to a group of capitalists (or speculators) who are joined together in a transaction or deal; specifically, it applies to a combination of persons as distinguished from a combination of concerns or interests.

For instance, ring applies to a clique or coterie of persons who are striving, by previous arrangement among themselves, for the same end, but each for his own account, as a ring in a stock, the persons in which are endeavoring to advance the stock by buying simultaneously or to depress it by selling simultaneously, but each for himself. When they act collectively for their united risk and benefit the term pool applies; see Pool.

The term ring is sometimes applied to a combination of separate concerns or interests by an understanding or by a compact (as a pool), but not by an actual consolidation. In such a case the term combination or combine should be employed. To an actual consolidation, when the purpose is to control a particular industry or business the term trust properly applies.

Combine is a newer term than either ring or trust and has been rather loosely used.

In Great Britain the term ring is applied to a group or syndicate of firms or individuals formed to work a certain industry together and prevent competition. A shipping ring is a ring of shipowners. (Much the same as an American combine).

Ring out. This is an operation by which a transaction in a future in grain, cotton, coffee or other commodity may be concluded before the maturity of the contract.

Illustration: A sells to B for delivery in some stipulated month in the future. B sells to C, C sells to D and D sells to A. Thus a ring is formed. Each has bought and sold and no actual delivery is required.

In a transaction in a future each party to it (the buyer as well as the seller) deposits a margin with a designated depository as security for the performance of his part of the contract. When the ring is complete a common settling price is fixed by the proper authority of the exchange on which the transaction took place.

Say A sold at 12 and bought back at 10 1-2—the difference is 1 1-2 in his favor. The settling price is 11, say. Since A sold to B at 12 he collects the difference between 12 and 11, which is 1, from B. Then, since he bought from D at 10 1-2 he collects the difference between 10 1-2 and 11, which is 1-2, from D. Thus, between B and D he collects his total difference. But suppose A had sold at 10 1-2 and bought back at 12. Then, he would pay B 1-2 and pay D 1.

Contracts in stocks w. i. (when issued—see When issued) are also ringed out in the same manner as contracts in futures in grain, cotton, coffee, etc.

Ring settlement. The settlement of contracts in which a ring has been formed. See Ringing out.

Rising averages. The weekly statement of the associated banks of New York gives the average deposits, loans, cash holdings, etc., of the banks for the week. When these items are increasing in amount the bank statement is said to be made up on rising averages. The opposite of rising averages is falling averages. For additional information see Bank statement.

Rising exchange. If foreign exchange is quoted in the

money of the country where issued a rising rate for it signifies that the exchange situation is against the country where the exchange is issued and in favor of the country where it is payable. In other words, exchange is more costly—the money of the country where the exchange is payable costs more in the money of the country where the exchange is issued. For instance, exchange on London is quoted in New York in dollars (and cents) and when the rate is rising the pound sterling costs more in dollars (and cents).

If foreign exchange is quoted in the money of the country where it is payable a rising rate for it signifies that the exchange situation is in favor of the country where the exchange is issued and against the country where it is payable. In other words, exchange is less costly—more in the money of the country where the exchange is payable is obtainable in the money of the country where the exchange is issued. For instance, exchange on Paris is quoted in New York in francs and when the rate is rising more in francs (and centimes) can be obtained for the dollar.

The opposite of rising exchange is falling exchange; see *Falling exchange*.

Rolling stock. The rolling stock of a railroad consists of its cars and locomotives.

Roman numerals. I, V, X, L, C, D, M—in their order, 1, 5, 10, 50, 100, 500, 1,000.

Room trader. One who is a member of an exchange and speculates in the room (on the floor of the exchange) for his own account.

When a room trader on the New York Stock Exchange purchases a stock he tries at once or as soon as possible to sell it at a profit. Likewise, when he sells a stock short (sells stock which he does not own) he tries at once or as soon as possible to buy it back at a profit. He is not ready, as is the London jobber, to either buy or sell at prices named by himself, but he bids for (offers to buy) or offers (offers to sell) stock accordingly as he thinks he may be able to make a profit by probable subsequent changes in the price. It is his purpose each day if practicable to even up—to sell as many stocks as he has bought or to buy as many stocks as he has sold.

The member of the London Stock Exchange who corre-

sponds in a measure to the room trader on the New York Stock Exchange is the jobber. The London jobber is not a broker. He deals wholly for himself. He is practically a wholesale dealer in securities, buying as well as selling. He will either buy or sell at prices named by himself. The jobber does not deal with the outsider (the speculator who is not a member of the exchange). The broker receives the order from the outsider and in executing it deals with the jobber. The broker goes to the jobber and without saying whether he wishes to buy or sell asks the jobber to "make a price." The jobber names two prices, for instance, 99 3-8 and 99 5-8, meaning that he will buy at the lower price or will sell at the higher price. The jobber expects to undo or cover the bargain (transaction) by a fresh transaction with another jobber or broker whereby he will sell stock that he has bought or will buy stock that he has sold.

Round lot. In stocks a large even number of shares bought or sold in one lot, as 1,000, 5,000, 10,000.

Round transaction. A round transaction is a transaction made and closed—that is, first buying and then selling, or the reverse, first selling and then buying.

Royal Exchange. The exchange in London where dealings in foreign exchange are carried on.

Rule. The rule, in financial or commercial matters, means the usage or practise.

Under the rule is a New York Stock Exchange term; see Under the rule.

For requirements as to stock certificates and bonds see Rules for delivery.

Rules for delivery. The following rules for delivery are those of the New York Stock Exchange and they apply in a general way in transactions in securities elsewhere than on the exchange:

1. Securities admitted to dealings upon the New York Stock Exchange, registered and transferable in the Borough of Manhattan, city of New York, in conformity with the requirements of Section 1, Art. XXXIII of the Constitution, are a delivery:

- (a) Certificates of stock for 100 shares or odd lots aggregating 100 shares, with irrevocable assignment for each certificate, and in the name of a member or his firm, registered and doing business in the Borough of Manhattan. Certificates for the exact amount or aggregating the amount of an odd lot.

- (b) Or, with irrevocable assignment witnessed by or correctness of signature guaranteed by such member or his firm.
- (c) Or, with irrevocable assignment and power of substitution and a separate guarantee by such member or his firm for each power of substitution.
- (d) Coupon bonds payable to bearer in denominations of \$500 or \$1,000 each, with proper coupons of the bond's number securely attached. Small bonds (under \$500) only in special transactions.

The money value of a missing coupon may be substituted only with the consent of the committee on securities for each delivery.

- (e) Registerable coupon bonds in denominations of \$500 or \$1,000 registered to bearer, or when transfer books are closed with an assignment to bearer for each bond by a member or his firm or witnessed by a member or the correctness of the signature guaranteed by a member or his firm, registered and doing business in the Borough of Manhattan.
- (f) Registered bonds in denominations not exceeding \$10,000 properly assigned.

2. Securities contracted for in amounts exceeding 100 shares of stock or \$10,000 in bonds may be tendered in lots of 100 shares of stock or \$10,000 in bonds, or any multiple of either, and must be accepted and paid for as delivered.

3. Securities with assignment or power of substitution signed by an insolvent are not a delivery. During the close of transfer books such securities held by others than the insolvent are a delivery if accompanied by an affidavit for each certificate or bond that said securities were held on a date prior to the insolvency.

Securities with assignment or with power of substitution guaranteed by a member or his firm suspended for insolvency are not a delivery and must be reguaranteed by a solvent member or his firm.

4. Securities in the name of a deceased person or a firm that has ceased to exist are not a delivery except during the closing of the transfer books. The assignment must be proved or acknowledged before a notary public. (Form No. 3; for witness Nos. 10 and 11).

Securities with either the assignment or any power of substitution witnessed by a deceased person are not a delivery.

5. Securities assigned or a power of substitution by a firm that has dissolved and is succeeded by one of the same name are a delivery when the new firm shall have signed the statement "Execution guaranteed," under a date subsequent to the formation of the new firm.

6. Securities in the name of a corporation or an institution or in a name with official designation are not a delivery unless assignment is sworn to before a notary public. The notary public must also make a deposition that he has seen the minutes of the institution authorizing the person or persons signing to make the assignment. (Forms Nos. 8 and 9). A certified copy of the resolutions of the proper authorities of the company in

whose name the security stands, authorizing the assignment and giving date of adoption, must accompany the security.

7. Securities with an assignment or a power of substitution signed by trustees, guardians, infants, executors, administrators, agents or attorneys are not a delivery.

8. Securities assigned by a married woman are not a delivery. A joint assignment and acknowledgment by husband and wife before a notary public will make such security a delivery only while the transfer books are closed. (Form No. 4).

9. Securities in the name of an unmarried woman with the prefix "Miss" are a delivery without notarial acknowledgment when signed "Miss."

10. Securities in the name of an unmarried woman without the prefix "Miss", or a widow, are a delivery only when the assignment is acknowledged before a notary public. (Form No. 5).

11. In the case of securities of a company whose transfer books are closed indefinitely for any reason, legal or otherwise, the assignment and each power of substitution must be acknowledged before a notary public. (Forms Nos. 2 and 3; for witness Nos. 10 and 11).

12. Securities in the name of foreign residents are not a delivery on the day the transfer books are closed for payment of a dividend or registered interest and reclamation can only be made on that day.

13. Securities in the name of foreign residents must be accompanied by an acknowledgment before a United States consul or J. S. Morgan & Co., London, when required by transfer agents.

Several companies having transfer offices at the Grand Central Station, New York, make this requirement.

14. A certificate of stock on which the name of a transferee has been filled in in error may be made a delivery during the closing of the transfer books by ruling of the committee on securities. Necessary form of release, cancellation and reassignment will be furnished on application to the committee on securities.

15. An indorsement by a member or his firm, registered and doing business in the Borough of Manhattan, or the signature as a witness by such a member of a signature to an assignment or a power of substitution is a guarantee of its correctness. Each power of substitution, as well as the assignment, must be so guaranteed or witnessed.

16. The receiver of stock may demand delivery by transfer when the transfer books are open and must give ample time in which to make transfer. The seller may demand payment for the securities at the time and place of transfer. The seller may make delivery by transfer when personal liability attaches to ownership.

17. When a claim is made for a dividend on stock after the transfer books have been closed the party in whose name the stock stands may require from the claimant presentation of the certificate, a written statement that he was the holder of the stock at the time of the closing of the books, a guarantee against any future demand for the same, and the privilege to record on the certificate evidence of the payment by cash or due bill.

18. "Coupon bonds issued to bearer, having an indorsement upon them

not properly pertaining to them as a security, must be sold specifically as 'indorsed bonds,' and are not a delivery, except as 'indorsed bonds.'" Extract from resolutions of governing committee, adopted May 23, 1883.

A definite name of a person, firm, corporation, an association, etc., such as "John Smith," "Brown, Jones & Co.," "Consolidated Bank" appearing upon a coupon bond and not placed there for any purpose of the company by any of its officers implies ownership and is an "indorsed bond" under the above resolution.

19. Any indorsement on a coupon bond stating that it has been deposited with a state for bank circulation or insurance requirement may be released and release acknowledged before a notary public; it will then be a delivery as a "released indorsed bond."

"RIGHTS" TO SUBSCRIBE.

20. Assignments of "rights," with the signature of the assignor witnessed and guaranteed in the same manner as other assignments as provided in these rules, are a delivery:

- (a) An assignment of the "rights" accruing on each 100 shares or assignments of "rights" on odd lots aggregating the "rights" on 100 shares.
- (b) An assignment for the exact amount or assignments aggregating the amount on a sale of the "rights" accruing on an odd lot of stock.

21. Assignments of "rights" in the name of a married woman, widow or an unmarried woman are a delivery without notarial acknowledgment.

22. Assignments of "rights" made by a deceased person or a firm that has ceased to exist are not a delivery and must be taken back by the party delivering them.

23. Assignments of "rights" signed by trustees, etc., or for corporations, etc., are not a delivery until passed by the committee on securities.

24. Assignments of "rights," except those sold specifically for "cash," can be delivered or demanded only on the date fixed for delivery by the committee on securities.

25. Due bills for assignment of "rights" on borrowed stock must be redeemed on the date fixed for the delivery of assignments of "rights."

26. Due bills for "rights" accompanying stock which by ruling of the committee on securities does not sell "ex-rights" at the closing of the books must be redeemed on the specific date fixed by the committee on securities.

27. Due bills for "rights" or an assignment of "rights" for all accrued "rights" must accompany securities delivered on a time contract.

When the right to subscribe terminates before the maturity of a time contract special ruling will be made by the committee on securities.

28. If default is made "rights" may be bought or sold for the account of the party in default at the place in the exchange where "rights" are traded in.

RECLAMATIONS.

29. Reclamations for irregularity in securities must be made within ten days from the date of delivery. (Article XXIX, Constitution). Claims

must be made before 2.15 p. m. An irregular security having been delivered may be returned to the party who delivered it, who must immediately give the party presenting it either the security in proper form for delivery or pay the market price of the security and assume all liability for non-delivery. In the latter case the security in proper form may be delivered to the claimant before 2.15 p. m. and the amount paid shall be returned.

SIGNATURES TO ASSIGNMENTS.

30. The signature to an assignment or a power of substitution must be technically correct, i. e., it must correspond in every particular, without any change, with the name in which the security is issued, and the name of the attorney or substitute.

The date of an assignment or a power of substitution must be legible and any correction properly noted by the signer.

- (a) Titles must be prefixed or affixed to signatures exactly as they are in the name in which the security is issued.
- (b) "Brothers" or "Bros." must be written as it appears in the security.
- (c) "And" or "&," "Company" or "Co." may be written either way.
- (d) "Mr.," "Mrs.," "Esq." or the residence or business address of an individual or firm need not be made part of the signature.

The committee recommends: That transfer agents be given the exact form of the name to which securities are to be transferred. That the signatures of all members and the firm signatures of each of the partners in a member's firm doing business in the Borough of Manhattan be filed with transfer offices in order to secure promptness of transfer of securities.

ASSIGNMENTS AND NOTARIAL ACKNOWLEDGMENTS.

A detached assignment of a security must contain provision for the appointment irrevocable of an attorney and substitute and a full description of the security, i. e., name of company, issue, certificate or bond number and amount (the latter written in words and numerals), and must be acknowledged before a notary public with seal and date. This description must be in the same handwriting as the other facts stated. A separate assignment must accompany each certificate or bond.

In the acknowledgment of an assignment or power of substitution in the name of an individual the notary public must certify with seal and date that he knows the person signing to be the person named in the security or in the power of substitution and that the signer acknowledged his signature. (Form No. 2).

In an assignment or power of substitution in the name of a firm the notary public must certify that he knows the person and knows him to be (or to have been on the date of execution) a member of the firm, and that he acknowledged that he executed the assignment or power of substitution as the act and deed of the firm. (Form No. 3).

In proving before a notary public an assignment or power of substitution the witness must make deposition that he knows the person who executed the assignment or power of substitution to be the person named in the security or assignment and saw the signer execute the same. For assign-

ments of securities in the name of a firm the witness must make deposition that he knows the party signing to be (or to have been at the date of execution) a member of the firm. (Forms Nos. 10 and 11).

Any alteration in the wording of an assignment must be stated over the signature of the party signing.

Any alteration in a notary's acknowledgment must be noted by signature of the notary.

ASSIGNMENT—POWER OF SUBSTITUTION.

Form No. 1.—Form of assignment on a certificate of stock accepted by the committee on stock list:

For value received.....hereby sell, assign and transfer unto
.....shares of the capital stock represented by the within certificates, and do hereby irrevocably constitute and appoint.....attorney to transfer the said stock on the books of the within named company with full power of substitution in the premises.

Dated.....19.....

In presence of

Power of substitution to be placed on the back of a certificate when name of attorney has been filled in with the name of an individual or a firm:

I [or we] hereby irrevocably constitute and appoint.....
.....my [or our] substitute to transfer the within named stock under the foregoing power of attorney, with like power of substitution.

Dated.....19.....

In the presence of

FORMS FOR NOTARIAL ACKNOWLEDGMENTS AND DEPOSITIONS PRESCRIBED BY THE COMMITTEE ON SECURITIES.

Form No. 2.—Acknowledgment by an individual by whom an assignment or a power of substitution is executed:

State of..... }
County of..... } ss.

On this.....day of.....19....before me, a notary public for the county of.....personally appeared.....to me known, and known to me to be the individual named in the within certificate, and described in and who executed the foregoing instrument, and acknowledged to me that he executed the same.

[SEAL]

If used for a power of substitution substitute for the word "instrument," "power of substitution, dated.....19....," the date referred to filled in.

Form No. 3.—Acknowledgment for firm:

State of..... }
 County of..... } ss.

On this.....day of.....19....before me,
 a notary public for the county of.....personally
 appeared.....to me known, and known to me to
 be one of the firm of.....named in the
 within certificate, and described in and who executed the foregoing instru-
 ment, and acknowledged to me that he executed the same as the act and
 deed of said firm.

[SEAL]

If used for a firm that has dissolved omit the word "be" in fourth line
 and substitute the words "have been on.....19...."

If used for a power of substitution executed by a firm that has dis-
 solved, substitute for the word "instrument," "power of substitution, dated
19...." the dates referred to filled in.

Form No. 4.—Joint acknowledgment or execution of an assignment
 made by husband and wife:

State of..... }
 County of..... } ss.

On this.....day of.....19....before
 me came.....and.....her husband,
 both of them known to me, and they severally acknowledged that they ex-
 ecuted the foregoing (or within) assignment and power of attorney for
 the purpose therein mentioned.

[SEAL]

Form No. 5.—Acknowledgment of an assignment executed by an un-
 married woman or a widow:

State of..... }
 County of..... } ss.

On this.....day of.....19....before
 me personally came.....to me known and known to me
 (or satisfactorily proven to me) to be an unmarried woman (or widow)
 and known to me to be the same person named in the within certificate of
 stock and described in and who executed the foregoing (or within) assign-
 ment and power of attorney, and acknowledged to me that she executed the
 same for the purpose named.

[SEAL]

Form No. 6.—Notarial acknowledgment for assignment or a power of
 substitution executed by a member suspended for insolvency:

State of..... }
 County of..... } ss.

On this.....day of.....19....before me,
 a notary public for the county of.....personally
 appeared.....to me known, and known to me to
 be the individual named in the within certificate, and described in and who
 executed the foregoing instrument, and acknowledged to me that he ex-
 ecuted the same on.....19.....

[SEAL]

If used for a power of substitution substitute the words "power of sub-
 stitution dated.....19....," for the word "instrument."

Form No. 7.—Notarial acknowledgment for assignment or a power of
 substitution executed by a firm suspended for insolvency:

State of..... }
 County of..... } ss.

On this.....day of.....19....before me,
 a notary public for the county of.....personally
 appeared.....to me known, and known to me to
 be one of the firm of.....named in the
 within certificate, and described in and who executed the foregoing instru-
 ment, and acknowledged to me that he executed the same on.....
19....as the act and deed of said firm.

[SEAL]

If used for a firm that has dissolved substitute the words "have been"
 for the word "be" in fourth line.

For a power of substitution, substitute the words "power of substitution
 dated.....19....," for the word "instrument."

Form No. 8.—Deposition by an officer or officers executing assignment
 of or power of substitution on a security in the name of an association or
 a corporation:

State of..... }
 County of..... } ss.

On this.....day of.....19....before me, a
 notary public for the county of.....personally came
to me known, who being by me first duly sworn, did
 depose and say that he resides at.....that he is the
of the.....corporation named in the
 within certificate, and described in and who executed the foregoing instru-
 ment; that he is acquainted with the seal of said corporation, and that the
 seal affixed to such instrument is such seal, and was so affixed by authority
 of the board of.....of said corporation, and that by
 like authority he executed the same.

And further, I have seen the minutes of the.....
 of the.....dated.....19...., authorizing
 the said.....to make this assignment.

[SEAL]

If the authorization to make assignment (or to sign the power of substitution) requires the signature of more than one officer this deposition must be made to conform, the notary stating their respective names, that both are known to him, that they reside at.....and
.....respectively, that they are the.....and
.....respectively, etc.

Form No. 9.—Deposition for an officer of an association or a corporation when the security stands in his name with his title affixed:

State of..... }
County of..... } ss.

On this.....day of.....19....before me,
a notary public for the county of.....personally came
.....to me known, who being by me first duly sworn, did depose
and say that he resides at.....that he is the.....
of the.....: that he is acquainted with the seal of
said corporation, and that the seal affixed to the above instrument is such
seal and was so affixed by the authority of the board of.....
of said corporation, and that by like authority he executed the same.

And further, I have seen the minutes of the.....
of the.....dated.....19...., author-
izing the said.....to make this transfer.

[SEAL]

Form No. 10.—Deposition by a witness of the execution of an assignment or a power of substitution by an individual:

State of..... }
County of..... } ss.

On this.....day of.....19....before me,
a notary public for the county of.....personally appeared
.....to me known, who being by me first duly sworn
did depose and say that he resides at.....that he knew
.....named and described in the.....
instrument, which was signed in witness's presence.

[SEAL]

If used for a power of substitution executed by an individual see instruction in Form No. 2.

Form No. 11.—Deposition by a witness of the execution of an assignment or a power of substitution by a firm:

State of..... }
County of..... } ss.

On this.....day of.....19....before me,
a notary public for the county of.....personally appeared
.....to me known, who, being by me first duly sworn, did
depose and say that he resides at.....that he knew.....

and knew him to be one of the firm of.....named
and described in the.....instrument, which was signed in wit-
ness's presence.

[SEAL]

If used for a firm that has dissolved or for a power of substitution
executed by a firm that has dissolved see instructions in Form No. 3.

Form No. 12.—Detached assignment and power of attorney for stocks
or bonds:

For value received.....have
bargained, sold, assigned, and transferred, and by these presents do bar-
gain, sell, assign and transfer unto.....shares of
the.....capital stock (or one [1] bond) of the
.....standing in..... name on
the books of said.....represented by certificate
(or bond for.....\$.....) No.....
herewith, and..... do hereby constitute and appoint.....
.....true and lawful attorney, irrevocable for
.....and in.....name and
stead, but to.....use, to sell, assign, transfer and set
over, all or any part of the said stock, and for that purpose to make and
execute all necessary acts of assignment and transfer, and one or more
persons to substitute with like full power, hereby ratifying and confirming
all that.....said attorney or.....
substitute or substitutes shall lawfully do by virtue hereof.

Dated.....19

In presence of

Form No. 13.—Acknowledgment on a detached assignment made by an
individual:

State of.....
County of.....
} ss.

On this.....day of.....19....before
me, a notary public for the county of.....personally came
.....to me known to be the individual
named in the annexed certificate of stock (or bond) and described in and
who executed the foregoing instrument, and acknowledged to me that he
executed the same.

[SEAL]

Form No. 14.—Acknowledgment on a detached assignment executed by
a firm:

State of.....
County of.....
} ss.

On this.....day of.....19....before me,
a notary public for the county of.....personally
appeared.....to me known, and known to me to

be one of the firm of.....named in the annexed certificate of stock (or bond) and described in and who executed the foregoing instrument, and acknowledged that he executed the same as the act and deed of said firm.

[SEAL]

If used for a firm that has dissolved see instruction in Form No. 3.

Runner. A messenger.

Running account. Same as open or current account; a continuing account in which settlement is made at intervals, as every 30 days, 60 days or twelve months.

Run off. This is a term used in the exchange business. When a banker has sold time bills of exchange (bills payable at a future time) and pays them at maturity (when due) instead of renewing (extending) them he is said to have let his bills run off (in contradistinction to letting them run on).

Run on a bank. When the depositors in a bank become alarmed for the safety of their money and seek, en masse, to draw it out of the bank there is said to be a run on the bank.

Rupee paper. Securities of the government of India, interest and principal being payable in rupees in India and by bills of exchange on Calcutta in England.

Also see India Council bill.

S

S. As printed on the tape by the stock ticker this letter means south or southern or stock or series or seller (followed by a figure or figures for day or days) or shares. A transaction seller 4, 10, 20, 30 or 60 is recorded (printed) thus: RG. 75. S4 (or 10, etc.), meaning that Reading stock was sold at 75 and that the seller may on one day's notice to the buyer deliver it at any time within 4 days (or 10 days, etc.); see Seller's option.

Sack. The cotton sack in which flour is put up contains 140 pounds. To convert sacks to barrels (196 pounds) multiply the number of sacks by 5 and divide by 7.

In Great Britain a sack contains 280 pounds.

Safe deposit company. Practically a warehouse company; a company for the safe keeping of goods, securities and other valuables, which also rents safes on its premises and compartments in its vaults.

The New York state banking law defines a safe deposit company as a "corporation formed for the purpose of taking and receiving upon deposit as bailee for safe keeping and storage jewelry, plate, money, specie, bullion, stocks, bonds, securities and valuable papers of any kind, and other valuable personal property, and guaranteeing their safety upon such terms and for such compensation as may be agreed upon by the company and the respective bailors thereof, and to rent vaults and safes and other receptacles for the purpose of such safe keeping and storage."

Safety-fund system. The safety-fund system, so called, was adopted in New York state in 1829. The banks were required to establish a common fund for the security of the holders of their notes (and at first for their depositors as well) by a tax of 1-2 of 1 per cent annually upon the capital stock of the banks until the fund amounted to 3 per cent of the capital. Any encroachments on the fund were to be made good by further taxes at the same rate.

From 1829 to 1841 no demands were made on the fund, but a series of bank failures in 1841 and 1842 developed the fact that the law, apparently by oversight, made the safety fund responsible, not only for circulation, but for all the debts of the insolvent banks. This discovery resulted in the exhaustion of the fund, although it was more than sufficient in amount to have redeemed the notes of the failed banks. The law was amended, but the damage to the fund had been done, and in the period while the deficit was being made good and a new fund accumulated by the annual tax of 1-2 of 1 per cent there was no security for the payment of notes except the credit of the issuing banks.

The safety fund system was not terminated until 1866 when the charters of all the banks operating under it expired. The surplus left was then turned into the state treasury. In so far as the system fell short of absolute success the fault seems to have been due to unsuspected defects in the letter of the law

rather than to any weakness in the principle on which it was based.

Sales. In transactions in stocks, grain, cotton, coffee and other things dealt in on exchanges the term purchases is not used; the term sales is used instead. Whether in an advancing market, when the general desire is to purchase, or in a declining market, when the general desire is to sell, the custom is to say sales amounted to or were so much and not to say purchases amounted to or were so much.

Sales account. The correct term is account sales; see Account sales.

Sales bill. This term is sometimes applied to a bill of exchange (draft) drawn against goods sold, or rather, drawn on the buyer of the goods. A better term is commercial bill. For additional information see Domestic exchange; also see Foreign exchange.

The term sales bill is also sometimes used in the sense of account sales; see Account sales.

Sales list. See Stock lists.

Salting. A colloquialism, meaning to place valuable ore in a worthless mine to deceive a possible purchaser.

Sample crowd. A term applied to brokers who deal in car-lots of grain or flour, basing their dealings on exhibits of samples in the board room (on the floor of an exchange).

Sample broker. One who deals in car-lots of grain or flour by means of samples.

Sans recours. Without recourse; see Without recourse.

Satisfaction piece. A formal acknowledgment in writing by one who has received payment in discharge or acquittance or release of a mortgage or judgment. A satisfaction piece includes authority for its entry on the record.

Satisfied. A judgment or a debt is satisfied when it is paid.

Savings bank. A bank of deposit the depositors in which have a mutual interest in the profits of the institution; in other words, an institution for receiving and investing savings, which pays interest on deposits at stated intervals, the interest depending as to rate on the bank's profit from investing the deposits.

The banking law of New York defines a savings bank as "a corporation duly authorized by the laws of this state to receive

money on deposit and pay such rates thereon, and to invest the same in such securities and obligations as may be prescribed by law."

A mutual savings bank is one conducted wholly for the benefit of the depositors, who receive in the form of interest all profits over and above necessary expenses and a moderate part of the profits set aside in a surplus fund to provide for unexpected losses or contingencies.

A stock savings bank is one organized with a capital stock and the stockholders receive in dividends the profits over and above the interest paid on deposits.

A savings bank in New York state is not required to keep a reserve, the object of a savings bank being profitably to employ as fully as possible the funds entrusted to it. It may, however, keep on hand a fund not exceeding 10 per cent of its deposits. A savings bank is subject to many restrictions as to the character of its investments and the collateral on which it may loan.

Sawdust game. The term applied to the swindle which consists of the pretended sale of counterfeit money and the delivery to the buyer of a package containing sawdust (or some other worthless article, as paper). This particular form of swindling is also called the bunco game.

SB. As printed on the tape by the stock ticker these letters mean small bonds; see Small bond.

SC. As printed on the tape by the stock ticker these letters mean scrip; see Scrip.

Scaling down. Cutting down or reducing proportionately or on a scale, as scaling down interest.

If a company has two or more issues of bonds not bearing the same rate of interest and in a reorganization of the company or a refunding of its bonds the rates of interest on the bonds are reduced proportionately the operation of reducing the interest is called scaling down the interest. The term scaling down does not apply when there is only one issue of bonds upon which the rate of interest is to be reduced, unless the rate of interest on this issue is to be reduced a certain amount at the end of each successive specified period. If the rate of interest on a single issue of bonds is simply made lower without provision for a further lowering the operation is described as reducing or cutting down the interest.

If a company which has two or more classes of stock lowers the dividends on them proportionately the operation is described as scaling down dividends.

Scalp. A speculative colloquialism, meaning a small profit taken quickly.

Scalper. An appellation for a speculator who seeks small, quick profits. A scalper is generally a member of an exchange who trades for his own account and has not to pay commissions.

Scalping. Speculating for quick, small profits.

Scandinavian Union, The. A monetary union formed by the adoption of the same currency system by Denmark, Norway and Sweden. See *Moneys of the world*.

Scratcher. In bookkeeping a colloquial name for a day-book.

Scrip. Usually the term is applied to a certificate for a fraction of a share of stock and usually, also, scrip is convertible into shares when presented in amounts equal to the face value of a full share. It has no voting or dividend rights until converted into full shares of stock, although sometimes interest is paid on it.

Scrip was also the name given to United States paper currency of denominations less than \$1 which is no longer issued; such money was commonly called *shinplasters*.

In Great Britain it is the practise to issue scrip to represent instalments paid on subscriptions for stock; when all instalments are paid the scrip is exchanged for stock certificates.

Scrip dividend. One payable in scrip, or in other words, a due bill, sometimes bearing interest at the legal rate and usually convertible into stock, but having no voting power and entitled to no dividend until so converted.

Scrivener. Former name for a notary public or public writer; also, money scrivener was a former name for a money changer.

Sea island cotton. Cotton grown on the islands off the coasts of Florida, Georgia, South Carolina and Texas.

Sea room. Same as ocean room; freight accommodation on an ocean vessel.

Seasoned securities. Those which have long been on the market and have something like an established value.

Seat. A designation for a membership in an exchange.

Secondarily liable. The person primarily liable on a negotiable instrument is the person upon whom rests the absolute requirement to pay it; all other parties are secondarily liable.

The maker of a note is primarily liable, while an indorser is secondarily liable. When a draft has been accepted the acceptor is primarily liable, while the drawer is secondarily liable. When, however, a draft has not been accepted the drawer is primarily liable. The drawer (issuer) of a check is primarily liable, while an indorser is secondarily liable. An indorser is always secondarily liable.

Secondary creditor. A creditor whose claim is second in priority of lien.

Second board. On exchanges where there are calls of stocks and bonds or calls of grain, cotton, etc., the second call is often designated as the second board. Also, the second printed list of sales on the New York Stock Exchange, covering the period from 12 noon to 2 p. m., is called the second board.

Second hands. Goods are said to be in second hands when they have passed from the hands of manufacturers or importers into the next succeeding hands, as into the hands of jobbers or wholesalers.

Second mortgage. The mortgage that is a lien after the first mortgage.

Second mortgage bond. A bond issued under a second mortgage; see Second mortgage.

Second of exchange. See First, second and third of exchange.

Second teller. The receiving teller in a bank.

Secretary. The secretary of a stock company prepares and keeps its records.

Secretary of the Treasury. The chief fiscal officer of the United States; he is a member of the President's cabinet.

Secret partner. A partner whose interest in the business is kept secret; that is, withheld from public knowledge.

Secured. Protected against loss.

Secured creditor. A creditor whose claim is secured (payment of it is insured) by a pledge of property or by a lien.

Securities company. Same as holding company: a company which owns the securities of other companies and depends for

its income upon the interest and dividends yielded by these securities. It usually issues bonds as well as stock itself. Its bonds are collateral trust bonds, being secured by bonds or stocks of other companies owned by it. A securities company is not necessarily a controlling company—it is not necessary that it should possess a majority of the stocks of the companies whose securities constitute or are included in its assets.

Security. Something of value pledged for the performance or fulfilment of a contract, as the payment of a loan; also a name for a stock or bond.

Security bill. The name given to a bill of exchange (draft) drawn against securities (stocks or bonds) which are attached to (accompany) and serve as collateral for the bill—as a pledge that the bill will be paid.

Seigniorage. The difference between the cost of bullion and the value of the coin into which the bullion is converted. In the coinage of gold there is, of course, no seigniorage for the reason that the act of coining adds no value whatever to the metal. Coinage of gold is merely an official certification of weight and quality for the sake of convenience.

Sell. To dispose of in exchange for money or other consideration.

Seller four, ten, twenty, thirty or sixty. When a stock is so sold the seller has the right to deliver it to the buyer on any day within the number of days specified on one day's notice to the buyer. The seller must in any event deliver the stock on the final day.

When a contract is of four or more days' duration the buyer must, unless the contract is flat (without interest), pay interest at the legal rate on the price of the stock up to the day of delivery. The amount of a dividend becoming due on the stock during the pendency of the contract is payable by the seller to the buyer.

No contract on seller's (or buyer's) option for less than 4 days or which extends beyond 60 days can be entered into on the New York Stock Exchange.

Seller's option. A seller's option is, in effect, a put. In stocks sold on seller's option the seller may, when the option is for more than three days, put (deliver) the stock on any day within the specified time on one day's notice to the buyer.

In a contract for four or more days the buyer, unless the contract is flat (without interest), pays to the seller interest at the legal rate on the price of the stock up to the day of delivery. The amount of a dividend becoming due during the pendency of a contract is payable by the seller to the buyer.

No contract on seller's (or buyer's) option for less than 4 days or which extends beyond 60 days can be entered into on the New York Stock Exchange.

A future contract in grain, cotton, coffee or other speculative commodity is at the seller's option unless otherwise stipulated and gives the seller the right to deliver the commodity on any business day in the month of delivery on due notice to the buyer.

Sellers over. London Stock Exchange term, meaning that there are sellers at 1-32 of a pound over a given figure or fraction (sixteenth).

Seller the year. A contract which gives the seller the right to make a delivery of the property at any time within the year.

No contract on seller's (or buyer's) option for less than 4 days or which extends beyond 60 days can be entered into on the New York Stock Exchange.

Selling a bear. London Stock Exchange term, meaning selling short in expectation of a decline in price; in other words, selling stock not owned in expectation of buying it back at a lower price. The term means the same as the New York Stock Exchange term selling short.

Selling dividends. See Buying and selling dividends.

Selling investment securities. See Investment securities.

Selling out. When a broker arbitrarily closes the account (in stocks or commodities) of a customer for failure to provide margin or for some similar reason the operation is described as selling out the customer.

On the London Stock Exchange when a seller of stock or shares does not receive from his buyer the name of the party to whom the stock is to be transferred (see Name) by an appointed time he is entitled to sell the stock out; that is, to instruct the official broker to make a fresh sale for cash. The difference between the price at which the fresh sale is made and that of the original bargain, together with the official broker's commis-

sion, is charged to the person responsible for the delay in passing the name.

Selling rate. In dealings in exchange the selling rate is the rate at which exchange is sold by a dealer in it.

Selling short. In Wall Street this consists in selling stocks not owned and borrowing them for immediate delivery. When finally bought in (covered) the borrowed stocks are returned. If in the interval between selling and buying the stocks have declined the trade is profitable; if there has been an advance it is unprofitable.

Sending in. When a speculator buys (or sells) stock through a broker with whom he has no account he directs this broker to "send in" the transaction to a broker with whom he has an account. The first broker merely executes the order; the second receives (or delivers) the stock.

The first broker in such a case acts as a two-dollar broker and collects his fee from the second broker, who charges the person for whom the stock was bought or sold the full commission the same as if he (the second broker) had executed the order.

Another instance of sending in is when a speculator transfers his account from one broker to another. In such a case he directs the broker who was originally employed to send in or transfer his contracts to the second broker. It is the same if he transfers only part of his account to another broker.

Separable contract. A contract which contains distinct and separable specifications.

Serial bonds. An issue of bonds different parts or amounts of which are redeemable at specified intervals. For instance, an issue of \$10,000,000 may be redeemable \$1,000,000 each year until at the end of ten years all have been redeemed.

Serial notes. A series of promissory notes issued in discharge of a single obligation which fall due (mature) at intervals.

Set of exchange. A bill of (foreign) exchange drawn in duplicate or triplicate and numbered first and second or first, second and third of exchange. Payment of any one copy of the bill extinguishes the set. For additional information see First, second and third of exchange.

Settlement. Adjustment of differences in money. In the

operation of the New York Stock Exchange clearing house there is also an adjustment of differences in stocks; for information see New York Stock Exchange clearing house. On the London Stock Exchange a settlement occurs fortnightly; see Settlement, The.

Settlement, The. The fortnightly settlement on the London Stock Exchange, which formerly lasted for three consecutive days, now takes four days, as the "carry-over" in mining shares begins the day before the ordinary carry-over. According to the London custom payments and deliveries in stock transactions are made only twice a month instead of every day as is the case in New York.

A broker on the New York Stock Exchange must each day, immediately after the close of the exchange, compare his memoranda of purchases and sales made "regular way" with the memoranda of those with whom he has had dealings. This is done by means of deliver and receive tickets. (See Comparison). On the following day before 2.15 p. m. all transactions must be closed by actual payment and delivery or adjustment through the stock exchange clearing house.

In London, on the contrary, this comparison of memoranda, adjustment and payment of differences and delivery of stocks occurs only twice a month. The exact days for each fortnightly settlement in London are fixed considerably in advance by the committee for general purposes.

The first day is continuation day or contango day or making-up day or carrying-over day in mining shares. The second day is another (an added) continuation day in mining shares. The second day is continuation day in other securities. On these days the brokers (not the jobbers, but the ones who represent the public and buy from or sell to jobbers) having found out from their clients (customers) whether the clients intend to pay for the stocks they have bought or intend to deliver the stocks which they have sold or whether they intend to let their contracts continue until the next settlement proceed to carry over such bargains as are to be continued. This is effected by entering into a fresh contract, which is of a double character. Stock that has been bought and is to be continued is sold for cash and repurchased for the new account, both bargains being put through at the "making-up price," and a con-

tango rate (see Contango) is generally paid to the broker or jobber who takes the stock in, that is to say, lends the money to pay for it until the next settlement. But if a stock is so much oversold that it is scarce for delivery the buyer who wants to continue receives a backwardation. (See Backwardation). Stock that has been sold and is to be continued is bought for cash and resold for the new account, both bargains being put through at the making-up price, and a contango rate is generally paid to the seller by the broker or jobber who lends the stock until the next settlement. But if a stock is oversold the seller who does not wish to deliver has to pay a backwardation.

The third day is called ticket day or name day, because on this day tickets (see Ticket) have to be passed (handed) by the brokers who have bought to the jobbers from whom they have bought, containing the names of those who will receive the stocks that have been bought. A ticket is passed on until it reaches the real seller, who is thus enabled to complete the transfer deed which must accompany each delivery. (See Passing a name).

The fourth day is settlement day or pay day, the day on which securities are delivered and paid for, or, if contracts are to be continued, the differences necessary to balance accounts are paid in money. It is also called account day.

The extra continuation day in mining shares was made necessary by the large business in these shares.

The settlement in consols and in a few other securities of that class occurs only once a month (at the end of the month) instead of every fortnight.

The first day of the settlement is also called making-up day for the reason that on this day there is officially fixed for each stock a price at which settlements shall be made on bargains (contracts) that are to be continued until the next fortnightly settlement. One who has bought stock pays to his broker the difference if the settlement (making-up) price is lower than that at which he bought or he receives from his broker the difference if the settlement price is higher than the price at which he bought. Conversely, one who has sold stock pays to his broker the difference if the making-up price is higher than

that at which he sold or he receives from his broker the difference if the settlement price is lower than that at which he sold.

If the buyer, who is bull (long), wishes to defer receipt of the stock until the next settlement he agrees to pay for this extension and this payment is called *contango*. The term applies whether he secures the consent of the seller to carry the stock or makes an arrangement with some one else in the exchange to carry it. In New York this would be called interest or carrying charge.

If the seller, who is bear (short), wishes to defer delivery to the next settlement he generally receives the *contango*; but if the stock is oversold and scarce he has to pay what is called *backwardation*. In New York *backwardation* would be called *premium*. When a contract continues without charges either way it is said to be even.

Account days, as distinguished from *account day* or *pay day*, the last day of the settlement, are the four days occupied in the settlement considered collectively.

Settlement day. Same as *account day* or *pay day*; the fourth and last day of the settlement (see *Settlement*, The) on the London Stock Exchange, when money payments have to be made in accordance with the terms of contracts.

Settling clerk. The name in New York for the clerk in a bank who conducts its clearings at the clearing house; see *Clearing house* of the associated banks of New York.

Settling price. The arbitrary price at which a settlement of a contract is made. For information as to the fixing of the settling price in stocks see *New York Stock Exchange clearing house*.

SF. As printed on the tape by the stock ticker these letters mean *sinking fund*, as *sinking fund bonds*.

Shaking down the market. A Wall Street term, meaning manipulation of the market so as to effect a lower range of prices.

Shaking out stocks. A Wall Street term, meaning manipulation of the market so as to compel the sale of stocks by holders.

Share. As applied to stocks the term means one of the equal parts into which the capital stock of a company is divided.

In Great Britain stocks and shares are different forms into which the capital of companies may be divided. Shares are of £1 or £2 or any other denomination up to £1,000; but the most usual denominations are £1, £5 and £10. The distinction between shares and stock lies in the fact that shares are indivisible. Any number of shares may be transferred but no single share can be divided; and shares are quoted at so much per share. Stock can be divided and dealt in, in some cases, in pennyworths. For instance, it is possible to transfer, say, £3, 11s. 9d. consols; but usually stock is transferred only in multiples of £1 and stock is quoted and dealt in at so much per cent. A share certificate is a certificate of a share or shares; a stock certificate is a certificate of so much stock.

The securities issued by a government are generally designated as bonds instead of stock. The securities issued by the United States government are designated as bonds, although formerly known as stock. Some of the securities issued by the city of New York are designated as stock; but municipalities as a rule designate their securities as bonds instead of stock.

For additional information see Stock.

Share broker. One who deals in shares of stock. This term is not in common use; the term usually employed is stock broker.

Shareholder. A holder of shares of stock.

Sharp cash. Prompt cash.

Shave. An extra discount; a premium in addition to the rate of interest allowed by law.

If a borrower receives \$5,000 and gives his note for \$6,000, with interest, the difference of \$1,000 is a shave. To buy a note or other paper at a greater reduction than the amount of the legal rate of interest is to shave it.

Shearing a lamb. A colloquialism, meaning to take away the money of one inexperienced in speculation.

Shekel. The shekel of the ancient Hebrews was a weight. The term shekel is now used, colloquially, to signify money. When it is said that a person has shekels it is meant that he has money.

Sherman act. The act of July 14, 1890, which ordered the purchase each month by the Secretary of the Treasury of 4,500,000 ounces of silver bullion, or so much thereof as might be

offered at the market price, provided the market price did not exceed the coinage value, \$1.29.29 an ounce. To pay for the silver so purchased an issue of Treasury notes redeemable in coin was authorized. There was also a clause in the act repealing the purchasing clause of the Bland-Allison act of 1878 and providing for the coining of 2,000,000 ounces of silver per month until July 1, 1891, when coinage should cease, except when necessary to supply silver dollars for the redemption of the Treasury notes. All the remaining bullion and that bought thereafter was to be held in the Treasury as security for the notes. Seigniorage was to accrue to the Treasury.

The purchasing clause in the act was repealed November 1, 1893, it having been found that the government purchases of silver not only failed to accomplish the result hoped for, viz., the maintenance of the price of silver at the coining parity—\$1.29.29 an ounce—but that silver was declining so rapidly in value as to threaten both impairment of the security it offered as backing for the notes and an entire upsetting of the monetary stability of the country. A severe business panic had been brought about, complicated by political considerations in which the tariff also figured. Before the repeal the notes issued under authority of the act were reissued after redemption. Since 1893 they have been canceled when redeemed in silver and the bullion so released has been coined, gradually reducing the Treasury's holdings of bullion. The seigniorage also is coined as it accrues.

For additional information see Treasury note.

Shifting loans. When banks demand the payment of call loans borrowers are obliged to pay off their loans and renew them with other banks. This process is called shifting loans.

Shilling. A silver coin of Great Britain which is worth 12 pence; the twentieth part of one pound sterling; equal to 24.3 cents.

The term shilling is a common one in the United States where it means not a coin but an amount, 12 1-2 cents.

Shinning. A phrase applied to the efforts of a borrower to raise money when his credit is so poor that he has to visit many lenders before he succeeds.

Shinplaster. A colloquial name for the fractional paper currency issued by the government during the Civil War to serve

as small change during the suspension of specie payments. The shinplaster was fiat money; it is out of circulation.

Shoestring. A colloquialism; when a speculator in stocks, for instance, begins with a small sum and concludes his operations with a large profit he is said to have started on a shoestring. The expression is sometimes amplified by saying that the speculator ran a shoestring up to a tannery or started on a shoestring and ran it up to a tannery.

Shop. London Stock Exchange term for the inside interests which control a concern and are well informed as to its status and prospects. "Selling for the shop" in a railway stock would mean selling by the directors or officials and would imply that the inside interests had reasons for getting out.

Short. One who has sold a stock which he does not possess and has borrowed the stock for delivery to the buyer is short of that stock. One who is short of several stocks is said to be short of the market. One who is short is a bear.

The object of selling short is, of course, to repurchase subsequently at a lower figure. The rules of the New York Stock Exchange enforce the completion of each transaction entered into "regular way" on the day following the transaction. Hence, the speculator who has sold short is forced to borrow the stock he has sold but does not own and make actual delivery of it next day to the purchaser. This he accomplishes through his broker by paying the market value of the stock to the one from whom he borrowed it and then returning the borrowed stock to the lender when he has covered, or in other words, bought back the stock.

For additional information see Borrowing and lending stocks.

When a speculator is short of stock (has sold stock which he did not own) on which a dividend becomes due he has to pay the amount of the dividend to the person from whom he borrowed the stock to make delivery to the one to whom he sold stock.

In speculation in grain, cotton, coffee and other commodities contracts to receive and deliver the property are entered into the same as in stocks.

On the London Stock Exchange it is the custom to say that a speculator is bear of stocks instead of short of stocks.

Short account. A term applied to the collective short (see Short) sales of a particular stock or to collective short sales of stocks in general, which sales are in expectation of a decline in the price of the particular stock or in the prices of stocks in general. The term also applies to corresponding sales of grain, cotton, coffee, etc.

Short bill. Same as short-dated bill; a bill of exchange (draft) having a short time to run. A bill running for 30 days or less is usually termed a short bill or short-dated bill.

Short bit. A term used in the Southern and Western states, meaning 10 cents. It is derived from the old Spanish real which used to circulate in those states and was called a bit and was worth nominally 12 1-2 cents.

Short-dated bill. Same as short bill; a bill of exchange having a short time to run. A bill running for 30 days or less is usually termed a short-dated bill or short bill.

Short-dated exchange. Same as short exchange; exchange (a bill of exchange) having a short time to run. Exchange running for 30 days or less is usually termed short exchange or short-dated exchange.

Also see Short of exchange.

Shorter's court. A place contiguous to the London Stock Exchange (from which there is an entrance to the exchange) where curb dealings in American stocks are conducted "after hours." After the London Stock Exchange closes at 4 p. m. (which is 11 a. m. in New York) the business in American stocks continues "on the curb"—in the street in Shorter's court.

For additional information see Arbitrage.

Short exchange. Same as short-dated exchange; exchange (a bill of exchange) having a short time to run. Exchange running for 30 days or less is usually termed short exchange or short-dated exchange.

Also see Short of exchange.

Short haul. A railroad term signifying transportation (of freight) for a short distance in contradistinction to transportation for a long distance, which is called long haul.

Also see Long and short haul clause.

Short interest. The collective speculative sales (short sales

—see Short) of a particular stock or of stocks in general; the opposite of long interest. The expression “The short interest in the market,” for example, signifies the aggregate speculative short sales of stocks in general.

Short loan or short money. London money market term for money borrowed for a day or so.

Short market. An oversold market. For instance, when more stocks have been sold short (sold when not owned) than can be bought back without unduly advancing prices the market (for stocks) is said to be a short market.

Short notice. Speculative dealings in commodities (grain, cotton, coffee, etc.) are in certificates (warehouse receipts which call for the actual property). On a future contract (a contract calling for delivery of the commodity in a specified future month) a certain number (according to the rules of an exchange) of days’ notice (called a regular notice) must be given by the seller to the buyer of his intention to deliver the commodity (that is, the certificate representing it) and collect payment for it. This is when the future was sold without special conditions.

When a future is sold without stipulation to the contrary delivery is understood as being at the option (at the pleasure) of the seller on regular notice to the buyer at any time in the month in which the commodity becomes cash (is deliverable). In a future at buyer’s option the commodity is deliverable on regular notice by the buyer to the seller.

When a broker buys a contract (accepts the transfer to himself of the contract) upon which regular notice has been given, but some part of which notice has elapsed, the notice has become a short notice. A contract with a short notice is often worth less in the market than one with a regular notice.

Short of exchange. When a drawer of (foreign) exchange has issued (sold) exchange against merely his credit with the concerns upon which he has drawn or in excess of the commercial or other bills which he has on hand to use in covering (paying) the exchange which he has sold he is short of exchange.

Short of sterling. The term in full is short of sterling exchange, but it is almost invariably used in its abbreviated form. When a drawer of exchange has issued (sold) sterling ex-

change against merely the drawer's credit with the concerns upon which he has drawn or in excess of the commercial or other bills which he has on hand to use in covering (paying) the exchange he has sold he is short of sterling exchange.

Short ribs. Short ribs of pork; there is a considerable speculation in short ribs.

Short selling. In Wall Street this consists in selling stocks not owned and borrowing them for immediate delivery. When finally bought in (covered) the borrowed stocks are returned. If in the interval between selling and buying the stocks have declined the trade is profitable; if there has been an advance it is unprofitable.

Short term or short time bond. One maturing in a short time.

Short ton. Two thousand pounds; a gross or long ton is 2,240 pounds. A metric ton is 2,204.6 pounds.

Shunting. London Stock Exchange term for transactions of a certain kind between the provincial exchanges and London. If a Liverpool broker knows from the telegrams that he receives from his London agent that he can sell Erie shares at 40 in London, and finds a seller in Liverpool at 39 7-8, he buys, and telegraphs to London to resell at 40. Shunting has to be conducted smartly or the margin of profit may be gone before the telegrams have got through. It is the same as arbitrage, but it is applied, as a rule, to inland operations as opposed to transactions between London and New York or the Continent.

Shut for dividend. A term sometimes used in England for closed for a dividend, which means that the stock transfer books of a company are closed pending the payment of a dividend. For additional information see Books closed.

Sight. As applied to a bill of exchange (draft) this term means that the bill is to be paid by the drawee (the one upon whom it is drawn) on presentation to him, if grace is not allowed by law in the state or country where the drawee resides; if grace is allowed by law then the bill is payable on the last day of grace after sight—after presentation to and acceptance by the drawee. There also is usance on bills drawn in some countries; see Usance.

Check exchange means sight exchange; a check or cheque

(English way of spelling check) is payable on demand, or in other words, on presentation.

Sight paper. Paper (promissory notes and bills of exchange) payable on demand or on presentation.

Signatory. One who has signed the articles of association or incorporation of a company.

Signature. A name as written by the person to whom it belongs. In assigning stock or a registered bond the name must be written precisely as it appears on the face of the certificate.

Initials signed to a paper with the intention that they shall stand as a signature are binding. In the courts of New York state it has frequently been held that any mark made with this intention was a sufficient signature. In one case the court held that "where a party placed the figures '1.2.8.' upon the back of a bill of exchange by way of substitute for his name, intending thus to bind himself as indorser, it was a valid indorsement, though it appeared he could write." In another case the signature was by initials and the court said: "A party signing a written instrument with his initials, intending thereby to bind himself, is as effectually bound as he would be by writing his name in full."

Signature book. The book in a bank which contains the signatures of depositors. Most banks now keep the signatures of depositors on cards.

Signature card. A card bearing the signature of a depositor of a bank and kept on file in the bank for reference. Some banks keep the signatures of depositors in a special book.

Signature mark. A mark serving as a signature. For additional information see Signing by mark.

Signed in blank. A certificate of stock or a registered bond signed on the back and witnessed, but with the space for the name of the new owner left blank. The correct term is assigned in blank; see Assigned in blank.

Signing by mark. Signing by the sign X which is the mark used when the signature of an illiterate or physically incapacitated person is required.

The name is written by some one else like this: John X Doe. Then above the X is written "His" and below it is written "mark." The illiterate person, if able, makes the mark; in case

of physical incapacity the mark is made for the signer, whose fingers are pressed upon the penholder while the point of the pen rests upon the X. A signature by mark is usually required to be verified by the signatures of two witnesses.

Signing in liquidation. The act of signing for a firm by that member of it who has charge of the winding up of its affairs.

Sign manual. The signature of a person in his own hand.

SIL. As printed on the tape by the stock ticker these letters mean silver. On the New York Stock Exchange silver is bought and sold at so much per ounce and the dealings are in lots of 1,000 ounces of fine (pure) silver. Not the actual silver is dealt in but certificates which represent silver in storage.

Silent partner. Same as sleeping partner; one not openly and generally declared to be a partner.

Silver bar. Means, in bullion dealings, a bar (ingot) of pure silver. A bar manufactured and assayed by the government is called a government bar or government assay bar; a bar manufactured and assayed by a private concern is called a commercial bar. See Silver bullion.

Silver basis. Exists when values are based on silver money. The value of silver money depends on the commercial price of silver bullion and this price is regulated by supply and demand the same as the price of any commodity.

Silver bullion. London is the recognized silver bullion market of the world. The London price is given (quoted) in pence (instead of shillings and pence) per ounce for silver in bars or ingots of the British government standard, which is .925 fine (925-1,000 pure silver and 75-1,000 alloy). In the United States the price is given (quoted) in cents per ounce for fine (pure) silver.

In New York quotations a double price is given, as for example, 64@65 cents. The first price, 64 cents, is the bid price or the price which is offered by a bullion dealer for bars. The second price, 65 cents, is the asked price or the price which the bullion dealer asks for bars.

In New York, as in other markets in the United States, quotations are given for commercial bars and for government assay bars. The prices for government bars, which are manufactured and assayed in assay offices belonging to the government, are a little higher than those for commercial bars, which

are produced by private smelters. Government bars may be no better than commercial bars, but the government stamp imparts an additional market value to them.

On the New York Stock Exchange silver bullion is bought and sold at so much per ounce and the dealings are in lots of 1,000 ounces of fine (pure) silver. Not the actual silver is dealt in but certificates which represent silver in storage.

Silver certificate. A certificate issued against a corresponding number of silver dollars held in the Treasury.

Silver certificates are in denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000. The issue of them is limited to the number of silver dollars deposited in the Treasury. They are exchangeable at the Treasury for silver dollars or smaller coins.

Silver certificates are not legal tender, but are receivable for customs, taxes and all public dues and when so received may be reissued; they are also available for the reserves of national banks. Silver certificates are in effect merely warehouse certificates.

Silver coins. Dollar—weight, 412.5 grains; thickness, .08 inch; diameter, 1.5 inches. Half-dollar—weight, 192.9 grains; thickness, .057 inch; diameter, 1.2 inches. Quarter-dollar—weight, 96.45 grains; thickness, .045 inch; diameter, .95 inch. Dime—weight, 38.58 grains; thickness, .032 inch; diameter, .7 inch.

Silver discount. The amount less than a dollar that a dollar in silver brings when paid for in gold.

If 100 gold dollars cost 200 silver dollars silver money is at a discount of 50 per cent while gold money is at a premium of 100 per cent.

Silver dollar. Weighs 412 1-2 grains, is .08 of an inch thick and its diameter is 1.5 inches.

There are 480 grains in a troy ounce; a silver dollar contains 371.25 grains of fine (pure) silver, the remainder of the weight of the coin being 41.25 grains of copper, the total weight of the coin being 412.5 grains. To ascertain the commercial (market) value of the silver in a silver dollar multiply the commercial price of fine silver by 371.25 and divide the result by 480.

To make the metal value of the silver in a silver dollar worth

100 cents the commercial or market price of silver must be \$1.29.29 per ounce.

Silver exports. Silver having no fixed value is exported under the same general conditions as grain, cotton or any other commodity.

Silver prices or quotations. See Silver bullion.

Silver-purchase act. Another name for the Sherman act, which see.

Silver standard. The silver standard exists in countries where it is by law enacted that silver shall be the measure of value. At the present time China, the Far East in general and some of the countries of South America and of Eastern Europe adhere to that standard. Their domestic trade is regulated by silver accepted at its bullion value, but all transactions with the rest of the world are based on gold and in the end the value of silver is regulated by these outside transactions.

Silver value. See Silver bullion.

Simoleon. A colloquial name occasionally applied to the dollar. To say that one has simoleons is equivalent to saying that he has the dollars.

Simple arbitration of exchange. A calculation based on rates of exchange between three places to determine the difference in the money market rates of the three places or a calculation based on the money market rates of three places to determine the ratio of exchange between the three places. When more than three places are involved in the calculation it is called compound arbitration of exchange.

For additional information see Arbitration of exchange.

Simple contract. An oral contract or a written contract not under seal, which requires a consideration to bind (support) it.

Simple interest. Interest computed on the principal alone and not added to the principal to bear interest also as is the case in compound interest.

Single-entry. In single-entry bookkeeping the day-book (a day-book and journal kept as one) and the ledger are the essential books.

Single-name paper. Paper without indorsement; bearing only the name of the maker. Another designation for single-

name paper is straight paper; in fact it is a common practise to speak of paper without indorsement as straight paper.

Single option. London Stock Exchange designation for a call or a put.

Also see Double option.

Single standard. Exists where either gold or silver is by law the basis of value, but not both.

Sinking fund. A fund to which are contributed amounts of money at specified times for the redemption of a debt. For instance, when a sinking fund is established for the redemption of an issue of bonds a certain amount of money is added to the fund each year (or at other stated intervals) until finally the fund amounts to enough to redeem (pay off) the bonds.

Sometimes the money paid into a sinking fund is invested in other bonds (or other securities) the interest payments (or dividends) received from which help to swell the sinking fund. It is not infrequently the case that a sinking fund is established to redeem drawn bonds; see Drawn bond.

Sinking fund bond. A bond provision for the payment of the principal of which is made by the creation of a sinking fund; see Sinking fund.

Sinking fund mortgage. A mortgage for the payment of which a sinking fund has been established; see Sinking fund.

Sixteen-to-one. This term refers to the ratio between gold and silver in the coinage of the United States. The exact ratio is 15.988 to 1, but this is so close to 16 to 1 as practically to make one ounce of gold equal to sixteen ounces of silver in coining.

Sixty. A bill of exchange payable in sixty days is often called a sixty; plural, sixties.

Slaughtering. As a Wall Street colloquialism this term means selling at a sacrifice in value.

SLD. As printed on the tape by the stock ticker these letters mean sold. When a sale that has been made on the New York Stock Exchange is not recorded (printed) in its proper place (in its regular order) the price is preceded by the abbreviation SLD., thus: RG. SLD. 75, meaning that Reading stock sold at 75.

Sleeping account. A trade term, meaning an unsettled account of long standing.

Sleeping partner. Same as silent partner; one not openly and generally declared to be a partner.

Slow account. Same as inactive account; an account to which debits and credits are not frequently added.

A slow account in a bank is one which is not frequently augmented by deposits and likewise is not frequently diminished by drafts upon (by checks drawn against) it.

A slow speculative account (as in stocks, grain, cotton or coffee, etc) is one where the speculator does not buy and sell with frequency.

Slow assets. Property applicable to the payment of debts which cannot promptly be converted into cash, but which must be held for a time in order to dispose of it advantageously or without sacrifice.

Slug. Colloquial name for an octagonal gold piece of the value of \$50 formerly minted by the government.

Small bond. A name applied to a bond for a smaller amount than \$500. As a rule a small bond sells at a lower price than a bond for \$1,000 (the usual amount) or even a bond for \$500. Large bond is the name applied to a bond for a larger amount than \$1,000.

Small change. Subsidiary silver coins (half-dollar, quarter-dollar and dime or 10-cent piece) and minor coins (5-cent nickel and 1-cent bronze).

Smart money. A term applied to money paid for release from an agreement.

Snap judgment. A judgment taken prematurely, irregularly or without due notification.

Soft coal. A common name for bituminous coal; see Bituminous coal.

Soft money. A colloquial name for paper money as distinguished from hard money (coin).

Soft spot. Wall Street designation for a stock or group of stocks displaying weakness in an otherwise generally strong market.

Sola. A term applied to a foreign bill of exchange when drawn singly—that is, when no copy of the bill is made. When drawn in duplicate or triplicate each bill is called a *via*.

Sold. When a quotation for a stock appears on the tape accompanied by the letters SLD (sold) it means that the

stock sold at the price named, but that the quotation does not appear on the tape in its regular order, the sale having been made previously.

Sold bill. A bill of exchange sold short; a time bill (bill payable at a future specified time) which the drawer has sold and to meet which he must at its maturity deliver a demand bill (bill payable on presentation), or perhaps cash, to the drawee (the one who is to pay the sold bill).

Sold note. A memorandum of sale delivered by a merchandise broker to the seller of goods for whom the broker acted.

Sold on order. A term applied to goods for which an order has been received by the seller and which have not yet been delivered or which are to be delivered in the future.

For instance, a wholesale dealer may sell on order goods yet to be received by him; or a mill manufacturing woolen goods or cotton goods may sell on order its output for three months (for three months ahead)—in other words, it may sell goods not yet produced the production of which will take three months.

Sold out. See Selling out.

Sou marquee. A colloquialism, meaning of little value, as not worth a sou marquee. The term is derived from the French sou marquee, an old copper coin worth 15 deniers, equal to 1 1-4 cents.

South Sea bubble. The South Sea Company was projected (organized) in 1710 by the Prime Minister of England, Harley, afterward Earl of Oxford, to effect a reduction of the interest on the funded debt. By 1720 the necessities of the nation had increased to such an extent that the plan of the South Sea Company was accepted by the government. This plan provided for the uniting or consolidation of the debts of the state upon which the state was to pay 5 per cent until 1727 and 4 per cent thereafter. The South Sea Company was to receive a valuable monopoly for its services, to wit: the exclusive privilege of trading to the Pacific ocean and along the east coast of America from the Orinoco to Cape Horn.

The company's method of consolidating the English government debts was by offering its own stock in exchange for the securities representing the debts. The South Sea Com-

pany's offer was considered so advantageous that the holders of government securities, or annuities, as they were commonly called, rushed to embrace it. These holders thought that by exchanging their securities for South Sea shares they would receive an annuity of 10 per cent instead of 5 per cent.

The par value of the shares of the South Sea Company was £100. By the middle of 1720 they had risen to £1,000. The apparent success of the South Sea Company inspired schemes without end. The objects of some of them were most absurd, such as "for the discovery of perpetual motion," "for the fattening of hogs," "for the importation of jackasses," etc. There were instances of shares reaching a premium of 2,000 per cent. One projector announced a "Company for carrying on an undertaking of great advantage, but nobody to know what it is; every subscriber who deposits £2 per share to be entitled to £100 per annum." This individual in five hours received subscriptions to the amount of £2,000 and the next day was nowhere to be found.

The companies that were formed after the organization of the South Sea Company were the first to collapse, but the South Sea Company burst not long afterward. The loss by its failure was tremendous. Thereafter the South Sea Company was known as the South Sea bubble.

Sovereign. A gold coin of Great Britain worth 20 shillings or £1 and equal to \$4.86.65.

Special account. A special account in a bank is one created for a special or particular purpose, as distinguished from a general account, which is an account to which credits are added and against which checks are drawn in the ordinary course.

Special agent. A person authorized to act for another in a particular matter or transaction.

Special aid bond. One of an issue in aid of some enterprise, as a railroad or manufacturing concern, which is expected to benefit the nation, state or municipality which issues the bonds.

Special assessment bond. One of an issue of municipal bonds payable, principal and interest, from special taxes levied upon particular property for an improvement from which this property derives special benefit.

Special carrier. One who carries persons or goods only by special arrangement.

Special damages. Loss or injury sustained in addition to that proceeding from the particular act complained of.

Special deposit. A special deposit made with a bank is a deposit for safe keeping; to be kept as received in the vaults of the bank until called for. A general deposit is a deposit received and placed with the funds of the bank to be loaned to customers and used in the general business with other funds of the bank.

Special depository. A bank, trust company or other institution legally designated to receive special and particular deposits of trust funds or public funds. The institution usually is required to provide a bond or other security for the safe-keeping and return of the funds; usually, also, it is required to pay interest on these funds—sometimes at a rate fixed by law.

Special indorsement. Same as indorsement in full; an indorsement on a check, draft, promissory note or other negotiable instrument or paper which transfers the instrument specifically to a new holder—that is, the payee (the holder or owner) formally makes over the paper in writing on the back to another whose name is given. Then the paper is payable only to the one to whom it has been explicitly transferred and not to any one who may chance to have possession of it.

Specialist. On the New York Stock Exchange a specialist is a broker who confines his attention to one or to a very few stocks; he is a specialist in the one stock in particular or in the few stocks to which he may devote his attention.

Special partner. A special partner is one who contributes to the capital of a firm but takes no part in the conduct of the business.

In New York state a special partner is liable for the obligations of the firm only to the amount contributed by him. He may receive interest on his contribution at the legal rate if such interest does not reduce the original amount of the capital. If after the payment of interest a profit remains he may receive his portion of it. If a special partner participates in or interferes in the management of the business he becomes liable as a general partner.

Special power of attorney. Written authority to act for another in a specific act and not extending beyond that act.

Special settlement. London Stock Exchange term; when new securities are issued the issuers apply to the committee of the stock exchange for a special settlement in them; the committee, if it grants the settlement, fixes its date.

Specie. Metallic money, but generally construed as gold and silver money.

Specie payment. A payment in metallic money, but generally construed as meaning gold or silver money.

Also see Resumption act of 1875.

Specie point. This is a term used in foreign exchange dealings; it means the same as gold point, but gold point is the term more commonly used. Literally, specie means any kind of metal money, while there is but one meaning to gold.

Speculating for differences. London Stock Exchange term; said when a person buys or sells a stock merely in the hope of earning a gambling profit and not because he wishes to invest in it or deliver it.

Speculation. Dealing on expectations; buying in expectation of an advance or selling in expectation of a decline.

There is a constant, large speculation in stocks, bonds, grain, cotton and coffee. Speculative operations are conducted on margin—that is, speculators deposit with the brokers who execute their orders certain amounts of money, designated as margins, which are intended to protect the brokers in case the movement of prices should be against the speculators and they (the speculators) should be unwilling or unable to make good the loss sustained. A party who purchases a stock or a commodity in anticipation of a rise and pays the full price of it is not, in the usual acceptance, engaged in speculation.

The customary margin furnished in a transaction in a stock is 10 per cent of the par (face) value of the stock dealt in—not the market value. The par value of a share of stock, in dealings as conducted on the New York Stock Exchange, is reckoned by percentage (100 being par), no matter what its amount may be in dollars. A margin of 10 per cent on 100 shares of a stock each of which is of the par value of \$100 is

\$1,000; on 100 shares of stock each of which is of the amount of \$50 the margin is \$500 and on 100 shares each of which is of the amount of \$25 the margin is \$250. Most shares are for \$100 each and such are called full shares, or more commonly, full-stock. Some shares are for \$50 each and these are called half-stock. A few shares are for \$25 each and these are called quarter-stock.

When the speculator puts up (provides) 10 per cent margin on a purchase of 100 shares of stock of the amount of \$100 each the broker has received from him \$1,000, while the cost of the stock, if purchased at 100, is \$10,000. The difference of \$9,000 is supplied by the broker, who charges the speculator interest on this sum. If the stock goes up and is sold at, say, 105, or 5 points above the purchase price, the speculator has made \$500, from which, however, is to be deducted the broker's commission, as well as the interest on the money supplied by the broker for use in the purchase of the stock.

Stock bought to be sold again (at, it is expected, a price higher than that at which it was purchased) is called long stock. Short stock is stock sold when not owned. It is sold in the expectation that it can be bought back at a price below the selling price. Margin on short stock is provided the same as on long stock. When the broker sells the stock he has to borrow it from somebody to make delivery to the purchaser. When the stock is finally repurchased it is used in making return of the borrowed stock. (See Borrowing and lending stocks). If the stock goes down and is bought back at, say, 5 points below the selling price the profit is \$500 (on 100 shares), less the broker's commission. There is, as a rule, no interest charge on short stock; (for explanation see Interest).

The broker's commission is 1-8 of 1 per cent on the par value of the stock, amounting to \$12.50 for buying 100 shares of stock and the same for selling, thus making the cost of a "turn" in 100 shares of stock \$25. A dividend paid during the pendency of a contract goes to the nominal owner of the stock.

Stock operations ordinarily carried on in New York comprise; (1) Buying for a rise or going long of stocks; (2) selling for a decline or going short of stocks; (3) buying or selling on option; (4) buying or selling privileges, known as

puts, calls, spreads and straddles. Privileges are not recognized by the New York Stock Exchange.

In buying for a rise the speculator usually deposits \$1,000 with his broker as a 10 per cent "margin" on 100 shares of stock. The broker holds (carries) the stock until ordered to sell it or until the margin is nearly exhausted. In the latter case if the speculator on request fails to provide more margin the broker is at liberty to sell the stock immediately and charge the speculator with the loss, if any. A speculator who has bought for a rise is said to be long and he is a "bull."

Selling for a decline or selling short is the opposite of buying, except that the seller, not having the stock, is obliged to borrow it for delivery and take the risk of buying it back at a future day to return to the lender. The chief risk in selling short is in the possibility of a corner in the stock as a result of which the price may be forced up to an extraordinary figure. Ordinarily the speculator has no interest to pay on stock sold short, but if it is scarce a consideration may have to be paid to the lender for its use from day to day. Margins and commissions are the same as in the case of stock bought. A speculator who has sold for a fall is said to be short and he is a "bear."

In buying or selling on option the purchaser or the seller, as may be stipulated, has the option to call for or to tender the stock at the price named at any time within the period limited by the contract. The New York Stock Exchange does not recognize such contracts for less than 4 days nor for more than 60 days. A speculator anticipating a rise in a stock may purchase 100 shares buyer 30, which gives him the option or right to call for the delivery of the stock at any time within 30 days at the price named, this price being usually somewhat above the price ruling at the time. If a decline in a stock is expected a sale is made seller 30, or at the seller's option to deliver at any time within 30 days at the price named, the price being usually below the price ruling at the time. In purchases at buyer's option the buyer is charged with interest on the price of the stock up to the time he calls for it. In sales at seller's option the seller is credited with interest on the price of the stock until he delivers it. In-

terest is at 6 per cent and at the end of the optional period the seller is obliged to deliver and the buyer to receive the stock if the contract has not previously been closed. Margins and commissions are the same on stocks bought or sold.

Privileges, or puts, calls, spreads and straddles are contracts entitling the holder to receive or deliver certain stocks at any time within a specified period (usually 30 or 60 days) and at a specified price. In a spread and likewise in a straddle the privilege is either to receive or deliver. A cash price is paid for the contract by the purchaser and his entire liability is limited to that amount. The matter of interest is not involved in the contract. The amount paid for a put or a call is generally \$100 on 100 shares for 30 days and \$150 to \$200 for 60 days; and for a double privilege (a spread or a straddle) a larger amount.

A put, which entitles the holder to put or deliver stock to the signer, reads as follows:

For value received, the bearer may deliver me one hundred shares of the stock of the (name of company) at the price of . . . per cent any time in thirty days from date. The undersigned is entitled to all dividends declared during the time.

A call, which entitles the holder to call for or demand stock from the signer, reads as follows:

For value received, the bearer may call on me for one hundred shares of the stock of the (name of company) at the price of . . . per cent any time in thirty days from date. The bearer is entitled to all dividends declared during the time.

A spread entitles the holder either to deliver to the signer stock at one price or to demand it from the signer at another price. If the price named in both cases is the same the contract is known as a straddle. The contract reads substantially as follows:

For value received, the bearer may call on the undersigned for one hundred shares of the stock of the (name of company) at . . . per cent any time in thirty days from date.

Or, the bearer may put or deliver the same stock to the undersigned, at . . . per cent any time within the period named. All dividends declared during the time are to go with the stock in either case.

The purchaser of a put, call, spread or straddle can lose only the amount paid for the contract.

When a broker buys stock for a speculator the certificate is not made out in the name of the speculator. A certificate

signed (assigned) in blank (see Assigned in blank) is received by the buying broker from the selling broker and this certificate may on the resale of the stock be delivered to the new buying broker, and so on, the same certificate continuing to serve indefinitely in transactions.

Grain, cotton, coffee, etc., are bought for a rise or sold short for a fall the same as stocks. Most of the dealings in these commodities are in futures, by which is meant that when a purchase is made the property is to be received in a specified future month or when a sale is made the property is to be delivered in a specified future month.

For the amounts of stocks, bonds, grain, cotton, coffee, etc., usually dealt in see Regular lot; for margins usually required see Margin, and for commissions charged see Commission.

Speculative business. This term is generally construed as meaning transactions on margin. For additional information see Speculation.

Speculative investment or investment speculation. Is when a person buys outright a stock or a bond, primarily to obtain the dividend or interest paid on it, but also with the intention of selling should there be a material advance in the price of the security.

Likewise, the term applies when a person buys outright a stock that is not paying dividends, but which the buyer expects will in time pay dividends, with a resultant improvement in the price of the stock; or the term applies when a person buys outright a bond that is not paying interest, but which the buyer expects will in time pay interest, with a resultant improvement in the price of the bond.

Speculative investor. One who buys and pays in full for his purchase with the idea of selling on an advance rather than holding for dividends or interest.

Speculator. One who deals on expectations; one who buys in expectation of an advance or sells in expectation of a decline. For additional information see Speculation.

Spilling stock. A Wall Street colloquialism, meaning to release stock; to throw it on the market. When stocks are disposed of from necessity they are spilled. The term also is used when stock is sold to break down prices or to keep prices from advancing.

Split coin. A term applied to a coin (generally a gold coin) which has been cut in two in a way that permits a portion of the metal to be removed from the interior and replaced with a base metal, after which the two parts of the coin are joined and the coin is put into circulation again.

Split order. Designation for an order in stocks (or in grain, cotton or coffee, etc.) to be executed partly at one time or price and partly at another time or price.

Split quotation. Designation for a quotation in sixteenths, occasionally used in grain, but seldom in stocks. For instance 10 1-16 is a split quotation. Regular quotations are in eighths; 10 1-8 is a regular quotation.

Split sale. Designation for a sale of stocks (or of grain, cotton or coffee, etc.) partly at one time or price and partly at another time or price.

Split stock. London Stock Exchange term for ordinary (common) stock which has been divided into preferred ordinary, which receives a fixed rate of dividend, and deferred ordinary, which receives a varying dividend in accordance with the balance remaining after payment on the preferred ordinary.

Splitting commissions. When a broker divides his commission with a customer or with somebody else who, for instance, procures business for him he has split his commission. This is an infraction of New York Stock Exchange rules.

Spondulicks. A slang name for money, more particularly for paper money, as "I have spondulicks," meaning money. The name was frequently used in referring to greenbacks (United States notes) when they were the chief circulating medium. The name is said originally to have been applied to the cowry-shells used as money on the west coast of Africa. There is a specimen of cowry-shell money in the Mint at Philadelphia which was obtained from Spondula, Africa, and on it has been conferred the nickname spondulick.

Spot. A spot contract in grain, cotton or coffee, etc., is one for immediate fulfilment; same as cash.

Spot cash. Cash paid on the spot; that is, cash paid immediately.

Also see Net cash.

Spot quotation. The price for immediate delivery.

Spread. A spread is like a straddle a double privilege, a put and a call combined. If the stock goes below the price named in the put end (or part), plus the cost of the spread, the holder of the spread profits; so, also, if the stock goes above the price named in the call end (or part), plus the cost of the call, the holder of the call profits.

Illustration: A spread on 100 shares may be bought on which the stock may be called (called for) at 102 1-2, or put (delivered) at 97 1-2. Say, 2 1-2 per cent (\$250) is paid for the spread. Then the stock must go above 105 or below 95 before there is a profit in the spread.

If a dividend becomes due on a stock during the pendency of a spread on it the dividend goes to the holder of the spread if he elects to receive and pay for the stock, but it goes to the seller of the spread if the stock is put (delivered) to him. A dividend always goes with the stock.

For additional information see Privilege.

The term spread is also applied to an arbitrage operation in a commodity (grain, cotton or coffee, etc.) and also in a stock when different prices prevail normally as well as from fluctuations for the same thing in different markets.

The thing is sold in one market and simultaneously bought in another to be subsequently bought where it was sold and simultaneously sold where it was bought.

In grain, for instance, there is a normal difference in price between two markets equal to the cost of transporting the grain from the market where the lower price prevails to the market where the higher price prevails. To permit a profit on a spread the difference in price between the two markets must be greater than the normal difference.

Grain may, for example, be sold in New York and bought in Chicago when the price in New York is sufficiently above the price in Chicago to more than equal the cost of the transportation of the grain from Chicago to New York.

The normal difference between New York and Chicago in the price of wheat is, say, 6 cents a bushel—that is, wheat is normally 6 cents a bushel higher in price in New York than in Chicago. Say a difference of 8 cents or 2 cents more than

the normal difference is found to exist. The speculator sells in New York and buys in Chicago. If the New York price drops 2 cents while the Chicago price remains stationary the speculator sells in Chicago and neither makes nor loses on the transaction there while he buys in New York and makes 2 cents a bushel on the transaction there. Or, if the New York price drops 1 cent and the Chicago price advances 1 cent he sells in Chicago and makes 1 cent a bushel on the transaction there and he buys in New York and makes 1 cent a bushel on the transaction there or 2 cents in the two places.

A spread is distinguished from a back spread from the fact that in a spread the difference in price between the two markets is greater than the normal difference; whereas, in a back spread the difference in price between the two markets is less than the normal difference; see Back spread.

A spread between New York and Liverpool or between Chicago and Liverpool or between any market in one country and any market in another country is effected in the same manner as a spread between New York and Chicago.

Likewise, a spread in cotton, coffee or any other commodity is effected in the same manner as in grain.

For information as to a spread in an abritrage operation in a stock see Arbitrage.

Spread-eagle. A name formerly applied to a spread on a stock; see Spread.

Spring wheat states. The states which produce large crops of spring wheat, viz: Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Washington, Wisconsin.

Squeeze. When the bears have sold stocks short and are compelled to buy them back at heavy loss to themselves they have, in speculative parlance, been squeezed.

The culmination of a corner is also designated a squeeze; see Corner.

Squeezed out. A Wall Street colloquialism, meaning enforced liquidation; the compulsory closing of a transaction by reason of inability longer to provide margin or inability longer to endure loss.

STA. As printed on the tape by the stock ticker these letters mean stamped, as a bond or stock stamped with a

guarantee or some condition or with an acknowledgment of an assessment paid on it.

Stag. London Stock Exchange term for one who subscribes for shares or stock of a new company or for a new issue of stock or shares, with no intention of keeping the stock or shares, but instead of selling at once at a profit. As soon as he receives notice of his allotment he sells at the premium quoted in the market.

Stagging the market. London Stock Exchange term describing the operation of speculators who subscribe for the stock or shares of a new company only for the purpose of selling their allotment at a premium; such an operator is a stag.

Stale bull account. London Stock Exchange term, meaning a situation when the bulls who have been holding stocks have become wearied and are anxious to sell, even at a loss.

Stale check. A check retained for an unduly long time before presentation for collection.

Stamp-duty. In Great Britain a duty or tax imposed on the paper or parchment on which legal instruments are written; also, a duty or tax imposed on certain commodities to which (when in package) a government label is attached in evidence that the duty or tax has been paid.

Stamped bond or stock. A bond or stock upon which some condition, guarantee, privilege or requirement is stamped. A bond which is guaranteed by another company usually has the guarantee stamped on it. A stock upon which an assessment is levied has stamped upon it payments of instalments of the assessment as the payments are made.

Stamp-tax. Same as stamp-duty; see Stamp-duty.

Standard. In its relation to money standard means the measure or basis of value.

A country where gold alone is by law the basis of value has a single standard; where silver alone is by law the basis of value the country has a single standard. Where both gold and silver are used, the one in fixed proportion to the other, the country has a double standard or bimetallic standard. A country using paper money alone has no standard.

For additional information see Monetary standard.

Standard gold dollar. A gold coin of the United States.

weighing 25.8 grains, nine-tenths fine, that is, nine-tenths gold and one-tenth alloy. The gold dollar is no longer coined, but it remains the basis of value.

Standard of coinage. The proportion of weight of fine (pure) metal and alloy in coins as established by law. For additional information see Monetary standard.

Standard silver dollar. The silver dollar of the United States, weighing 412 1-2 grains, nine-tenths fine, that is, nine-tenths silver and one-tenth alloy (copper).

The phrase "standard silver dollar" is a misnomer. It was first employed to distinguish the dollar of 412 1-2 grains from the trade dollar of 420 grains. The standard silver dollar is, as a fact, not a standard of anything; its value in trade is much more than its metallic value because the government practically redeems it in gold.

State bank. One deriving its authority to do business from the state in which it is situated.

A state bank in New York state in a city of more than 800,000 inhabitants is required to keep a reserve of 15 per cent and in a place of less than 800,000 inhabitants it is required to keep a reserve of 10 per cent. This is called "lawful money reserve." The requirement is the same in the case of a private bank or banker operating under the supervision of the banking department.

For additional information see Bank.

State Bank of Indiana. The State Bank of Indiana occupies a notable place in the financial history of the United States. It was practically a state institution, the state owning one-half of its capital stock and appointing its president and four of its seven directors. The State Bank was a supervisory institution. It did not itself carry on banking operations; the actual banking business was conducted by seventeen branch banks. The State Bank had a monopoly of banking and the right to issue notes in the state of Indiana; by law no other banking corporation was to be created or permitted in the state.

The State Bank of Indiana began business November 20, 1834. Its management was remarkably strong. So high was the standing of the bank that in the panic of 1837, when bank failures throughout the country were numerous and the notes

of banks in other states were at a great discount, the notes of the State Bank of Indiana were at a premium in the West and South and in the East were at a slight discount only.

The State Bank was succeeded in 1857 by the Bank of the State of Indiana, a private corporation, the legislature having repealed the law which granted a monopoly in banking to the State Bank and decreed that the state should not longer be a stockholder in any bank. The Bank of the State of Indiana, like the State Bank of Indiana, was a supervisory institution. It conducted its banking business through twenty branches. The Bank of the State of Indiana maintained the splendid record of its predecessor, the State Bank of Indiana, and continued until 1866, when it voluntarily wound up. It stopped on account of the imposition of a Federal tax of 10 per cent on notes other than those issued by national banks, which effectually prohibited it from further issuance of notes. Seventeen of the branch banks were converted into national banks, two became private banks and one liquidated.

State bond. A bond issued by a state.

Statement. A detailed written report of the existing condition of an account is called a statement.

Statement rendered. Same as account rendered; see Account rendered.

Statute of limitations. The statute (law) by which a debt is outlawed; see Outlawed.

Statutory meeting. Every English limited company must within three months from the date on which the company is entitled to start business hold a general meeting, which is called statutory, at which certain formal information has to be given to shareholders.

Stealing eighths and quarters. An expression used (especially in the stock market) when a dishonest broker reports to customers purchases 1-8 or 1-4 per cent above and sales 1-8 or 1-4 per cent below the actual prices in transactions. These differences he retains for his own benefit, defrauding his customers of them. This practice is infrequent. It is fraud and is punishable by expulsion from an exchange.

Sterling. The standard of monetary value established by the British government; a general designation for English money.

The term sterling is also applied to gold or silver in ingots or bars of the standard of value or fineness established by the British government. Sterling gold is 22 parts pure gold and 2 parts alloy; sterling silver is 222 parts pure silver and 18 parts alloy.

Sterling bill. A bill of exchange payable in pounds sterling. There are demand bills, which are payable on presentation, and time bills, which are payable at specified future dates. There are also cable transfers or cables by which payment is ordered by cable.

For additional information see Foreign exchange.

Sterling bond. A bond payable, principal and interest, in pounds sterling.

Sterling exchange. Exchange (drafts) on London or any part of Great Britain and Ireland, or, speaking generally, drafts payable in English money (pounds sterling).

For additional information see Foreign exchange.

Sterling loan. A loan of a bill of sterling exchange. The borrower of the bill gives his note for it and pledges stocks or other property for its payment when due. Then he sells the bill of exchange and obtains the money on it, unless he should wish to use it in discharging a remittance abroad, in which case he forwards it to London or wherever the obligation may be payable. When the obligation becomes due it is (generally) settled by the delivery of a demand bill of sterling exchange which the debtor (the borrower of the original bill) has purchased for the purpose. Sterling loans are obtained when it is difficult to obtain money in the usual ways.

Stock. The capital of a company represented by shares for which negotiable (transferable) certificates are issued.

The usual varieties of stock in the United States are preferred (there may be first and second preferred and even third preferred) and common (occasionally called ordinary or general stock). Preferred stock is preferred as to assets and dividends. It must receive a dividend before one can be paid on the common stock and in a distribution of assets it participates ahead of common stock. Cumulative preferred stock is stock the dividends on which if not paid regularly or in full accumulate and must be paid in the future before a dividend can be paid on the common stock. Common stock is not pre-

ferred as to dividends or assets and seldom or never is made cumulative. Often its chief value is its voting power. In addition there is founders' stock, which is issued to the organizers of a company for services. It is entitled to participate in profits after a certain rate of dividend has been paid on the common stock in any one period. Such stock formerly was frequently issued in Great Britain, but it rarely has been issued in the United States.

In Great Britain when, for dividend purposes, the ordinary (common) stock of a company has been divided into two parts called preferred or "B" stock and deferred or "A" stock the dividend on the A stock is deferred until a fixed amount has been paid on the B stock. This B or preferred stock is not the same as preferred stock in the United States. What in the United States is called preferred stock is in Great Britain called preference stock and preference stock in Great Britain may be divided into two or more classes called first preference, second preference, etc., just as preferred stock in the United States may be divided into two or more classes called first preferred, second preferred, etc. When, however, there is but one class of preference stock ahead of an ordinary stock in Great Britain the B or preferred stock is equivalent to second preferred stock in the United States.

In Great Britain stocks and shares are different forms into which the capital of companies may be divided. Shares are of £1 or £2 or any other denominations up to £1,000; but the most usual denominations are £1, £5 and £10. The distinction between shares and stock lies in the fact that shares are indivisible. Any number of shares may be transferred, but no single share can be divided, and shares are quoted at so much per share. Stock can be divided and dealt in, in some cases, in pennyworths. For instance, it is possible to transfer, say, £3, 11s. 9d. consols, but usually stock is transferred only in multiples of £1, and stock is quoted and dealt in at so much per cent. A share certificate is a certificate of a share or shares; a stock certificate is a certificate of so much stock.

The securities issued by a government are generally designated as bonds instead of stock. The securities issued by the United States government are designated as bonds, although formerly known as stock. Some of the securities issued by the

city of New York are designated as stock; but municipalities as a rule designate their securities as bonds instead of stock.

On the New York Stock Exchange no certificate for more than 100 shares of stock is a delivery, but any number of certificates which are collectively for 100 shares are a delivery for 100 shares the same as a single certificate for 100 shares.

On the London Stock Exchange (except by special contract) a certificate of American shares (stocks) is not accepted for a larger amount than 10 shares of \$100 each or 20 shares of \$50 each; also, an American bond for a larger amount than \$1,000 is not accepted.

Stock broker. One who executes orders to buy and sell stocks.

Stock call. The act of calling off at an exchange or trading place the list of stocks dealt in there. As the names of the stocks are called the buyers and sellers make their bids and offers.

For a definition of the term call as applied to an option see Call.

Stock certificate. See Certificate of stock.

In Great Britain a distinction is made between stock and shares; see Stock.

Stock company. Same as joint-stock company; a company whose capital stock is divided into shares of equal amount. For additional information see Company.

Stock dividend. A dividend payable in the stock of a company which declares such a dividend or (occasionally) in the stock of a company owned by it.

Stock exchange. A place where stocks and bonds are dealt in. See New York Stock Exchange.

Stock exchange clearing house. See New York Stock Exchange clearing house.

Stock exchange collateral. Consists (in New York) of securities which are dealt in on the New York Stock Exchange. For additional information see Collateral loan.

Stock Exchange Daily Official List. A list of stocks dealt in on the London Stock Exchange, published by the exchange; the designation in it "Business done" means that transactions have taken place at the prices specified, the prices being derived from jobbers' and brokers' markings (prices re-

ported by jobbers and brokers who did business at those prices).

The corresponding publication in New York is the daily list of sales on the New York Stock Exchange; but this list is not "official."

Stock exchange lists. See Stock lists.

Stockholder. A holder (owner) of stock.

A stockholder in a New York corporation is personally liable to an amount equal to the amount of stock held by him for every debt of the corporation until the whole amount of its stock issued and outstanding at the time such debt was incurred shall have been fully paid. After the stock is fully paid a stockholder is not personally liable except to working-men and others employed by the corporation. In both classes of liabilities judgment must first be taken against the corporation and an execution thereon returned unsatisfied in whole or in part.

It is provided in the New York law that "no stockholder shall be personally liable for any debt of the corporation not payable within two years from the time it is contracted, nor unless an action for its collection shall be brought against the corporation within two years after the debt becomes due; and no action shall be brought against a stockholder after he shall have ceased to be a stockholder for any debt of the corporation unless brought within two years from the time he shall have ceased to be a stockholder."

If a corporation fails no personal liability attaches to stockholders beyond that here specified. Furthermore, this liability attaches only in case the amount of the debt cannot be recovered from the corporation itself.

Stock-jobbing. In New York this term means the raising or lowering of prices of stocks by dishonest or irregular methods.

On the London Stock Exchange the term has no connotation of dishonesty; it means merely dealing in stocks, whether by outsiders who are gambling for differences or by jobbers in the course of their business. See Jobber.

Stock lists. The daily printed lists of sales at the New New York Stock Exchange; these lists are not "official."

The blue list, a list printed on blue paper, contains a list of

the most active stocks dealt in, with the high, low and last prices, together with the number of shares of each stock dealt in.

The red list is a list printed on red paper, containing more stocks than the blue list (practically all the active stocks), but not all the stocks dealt in. The high, low and last prices are given, together with the number of shares of each stock dealt in.

The white list, printed on white paper, contains the transactions in detail in all stocks and bonds dealt in. This white list is divided into three parts called boards. The first board contains sales from 10 a. m. to 12 noon. The second board contains sales from 12 to 2 p. m. The last board contains sales from 2 to 3 p. m.

Formerly, when there were calls of stocks, first board was the term applied to the first call of stocks, second board to the second call and last board to the last call.

Stock loan. A loan of stock as distinguished from a loan of money. See Borrowing and lending stocks.

Sometimes the term stock loan is applied to a loan of money when the collateral pledged consists of stocks.

Stock market conditions. The following terms applied to the varying phases of the stock market sufficiently express their own meaning: Active, artificial, booming, crazy, dead, dull, excited, feverish, fictitious, firm, flat, fluctuating, healthy, heavy, inactive, irregular, lively, panicky, quiet, ragged, rampant, sagging, soft, stagnant, steady, strong, uneasy, unhealthy, unsettled, weak, wild.

Stock note. This is a name used in Wall Street for a collateral note—a note the collateral to secure which consists of stocks (or bonds or both stock and bonds).

This name also is applied to the form of the note—that is, the reading of the note. For the customary form of a stock note (collateral note) see Collateral note.

Stock of money. This designation includes all money issued by the government, whether in the Treasury or in circulation.

Stock power. The name given to the irrevocable power of attorney used in assigning or transferring title to a certificate of stock.

Stock savings bank. A stock savings bank is one organized with a capital stock and the stockholders receive in dividends profits over and above the interest paid on deposits. For additional information see Savings bank.

Stocks borrowed and loaned. See Borrowing and lending stocks.

Stock ticker. See Ticker.

Stolen securities. See Lost or stolen securities.

Stop-loss order. See Stop order.

Stop order. When an order is given to a broker for the purchase of a stock, for instance, at 100, with instructions to stop it at 98 it means that the stock is to be sold if it declines to 98. On the other hand, if a stock is sold short at 100 with instructions to stop it at 102 it is to be bought back if it advances to 102. A stop order is employed principally to limit loss in speculation; in such a case it is specifically designated as a stop-loss order.

Stop payment. When a check has been lost or stolen the bank upon which it is drawn is notified to stop payment on it if it is presented.

Stopping stocks at a stock exchange. When one broker has an order to buy a certain stock at a certain price and another has an order to sell the same stock at the same price the two brokers agree that a transaction in the stock shall be consummated between them when that price is reached. In the vernacular of speculation the brokers "stop" the stock at the agreed price.

Straddle. A straddle is like a spread a double privilege, a put and a call combined, but only one price is named in it. The stock may be called (called for) or put (delivered) at this price. The stock must go up or down more than the amount paid for the straddle before there is a profit in it.

Illustration: A stock is selling at 100 and a straddle on 100 shares is bought at this price, for which 5 per cent (\$500) is paid. The stock, therefore, must go above 105 or below 95 before there is a profit to the purchaser of the straddle.

If a dividend becomes due on a stock during the pendency of a straddle on it the dividend goes to the holder of the straddle if he elects to receive and pay for the stock, but it

goes to the seller of the straddle if the stock is put (delivered) to him. A dividend always goes with the stock.

For additional information see Privilege.

Straddled the market. A speculator who is long of one stock and short of another is said to have straddled the market.

Straight paper. A designation for single name paper—a promissory note which is without indorsement.

Street, The. An abbreviation of Wall Street and a common designation for the financial district in New York.

In London the term "The Street" means the vicinity of the Stock Exchange, where dealings go on after the exchange (the house, so-called) is closed.

Striking a balance. Finding the difference between debits and credits.

Striking a bargain. Coming to a mutual agreement.

Stub or counterfoil. A portion of a document permanently retained in a book as a memorandum after the other portion has been detached by means of a line of perforations or otherwise, as the stub or counterfoil of a check or receipt.

Stuff. It is a common habit in the markets for grain, cotton, coffee, etc., to speak of the actual property as the actual stuff in contradistinction to contracts calling for delivery of the property at some future time. Such contracts are called futures.

Sub-company. Subsidiary company; see Subsidiary company.

Subsidiary coin. Same as divisional or fractional coin; a coin less than \$1 in value. The subsidiary coins are the silver half-dollar, quarter-dollar and dime (10 cents), nickel 5-cent piece and bronze 1-cent piece.

Subsidiary coins are issued according to the needs of the country and are redeemable at the Treasury in sums of \$20 and multiples thereof.

The silver half-dollar does not weigh one-half as much as a silver dollar; neither does the quarter-dollar weigh one-fourth as much, nor the dime (10 cents) one-tenth as much. The half-dollar weighs 13.35 grains less than half the weight of the dollar and the weights of the quarter-dollar and dime are

proportionately less. The ratio of subsidiary silver coins to gold is 14.953 to 1.

The weights of the subsidiary coins were made proportionately less than the weight of the dollar to prevent the exportation of the subsidiary pieces when the bullion value of the silver in a silver dollar should be worth 100 cents or more than 100 cents, which was the case at one time.

The 5-cent nickel and the 1-cent bronze are specifically minor coins.

Subsidiary company. A company whose entire stock is owned by another company; or which is controlled through ownership of a majority of its stock by another company.

Subsidy. Pecuniary aid granted by a government to an enterprise deemed productive of public benefit.

Substitution. A power of attorney and substitution permits the one holding the power to transfer it to another—to substitute another for himself.

The word substitution also is used when securities pledged as collateral are withdrawn and replaced with other securities by consent of the one holding the collateral.

Sub-Treasury. A branch of the United States Treasury for the receipt and disbursement of revenues and in charge of an Assistant Treasurer of the United States.

Successive indorsement. Successive indorsement is made by several persons, the legal effect being to subject each of them to each other in the order in which they indorse; the indorsement imparts several and successive, but not joint obligation.

Suffolk Bank system. A term derived from a scheme for the redemption of the notes of state banks which was devised by the Suffolk Bank of Boston in 1813.

The notes of Boston banks at the time were worth 100 cents on the dollar while those of the country banks of New England were at a discount. The Suffolk Bank proposed to redeem the notes of the country banks at par if the country banks would keep a fixed deposit with it, plus a variable deposit to redeem such of their notes as should reach Boston in the course of trade. The interest derived from the use of the fixed deposit was to reimburse the Suffolk Bank for doing the business. The plan served to keep the issue of

notes within wholesome limits, as it required a backing for them; at the same time, for the reason that a backing was provided for them and likewise that a central place of redemption was provided, the value of the notes was maintained at par.

Sunday. In New York state when a contract matures on Sunday the following Monday is the earliest day upon which performance can be exacted. The debtor cannot be compelled to pay on Saturday, because his debt is not then due. The law excuses him, for reasons of public policy, from making payment on Sunday and no valid demand can be made before Monday.

If a life insurance premium or any other debt not evidenced by a promissory note or check or some form of paper falls due on Saturday there is no rule of law under which its payment can be deferred until Monday. Only half of Saturday is a holiday and only such debts are allowed to go over from that day until Monday as are expressly provided for in the statute. But all debts falling due on Sunday go over.

If a note is dated on Sunday but is delivered on a week day it is legal, for the validity of a note depends on the time of its delivery and not on the time of its inception. Even though a note were made and delivered on Sunday the payee could throw it aside and sue for the money itself; in other words, he could disregard the actual or express contract (the note) and sue on the contract implied by the law.

The law discountenances the making of contracts and the transaction of business on Sunday. But making a note is not transacting business; the business is done on the day when the note is delivered. A note drawn on Sunday, no matter what date it bears, and a note drawn on a secular day (week-day) but bearing a Sunday date, are both good if delivered on a secular day. The holder of a note bearing a Sunday date is not entitled to demand a new note, but he is entitled to enforce the one he holds.

Sundry assets. Unclassified remaining and usually unimportant assets.

Surety. A person (or corporation) who executes a bond of guaranty; also, a bond of guaranty is a surety.

Surety company. A company that furnishes bonds of surety; that acts as a guarantor.

Suretyship. The act and obligation of surety.

Surplus. Profit set aside after paying expenses and after necessary deductions, as for interest, dividends, rentals, taxes, etc.

Surplus reserve. The amount held by a bank against deposits in excess of the amount required by law to be held; see Bank reserve.

Surplus state. A name given to a state which grows more grain (or other commodity) than is required for consumption within its own borders.

Suspense account. An account in which items are charged or credited temporarily until it can be determined in what account they should be entered; an account of unpaid notes, disputed claims and money in litigation; an account of claims of dubious value.

Suspension of specie payments. The banks suspended specie payments December 28, 1861, as a consequence of the withdrawal of gold on deposit with them by the government. Specie payments were resumed on January 1, 1879.

Sweating coins. This is a name for an illegal process by which a percentage of the metal in gold and silver coin is taken away. The method employed is to place a number of coins in a bag and shake them roughly until a portion of the metal is worn off by abrasion—by friction. The dust thus obtained is sold and the coins are put into circulation again.

Sweetening a loan. A colloquialism used in Wall Street when high class securities are included in the collateral pledged for a loan.

Swop. A colloquial term, meaning the same as barter; an exchange of property.

Sworn broker. For information see Bourse.

Syndicate. As a financial term syndicate means several bankers or capitalists who join together to carry out or to insure the carrying out of some plan or scheme which involves a large amount of money.

The commonest form of syndicate is an underwriting syndicate. For instance, the capital stock of a company (or a certain amount of it) is to be offered for public subscription at,

say, 100 (par). An underwriting syndicate is organized and it underwrites the entire issue at 90. It, in effect, buys the whole issue at 90. The stock taken (subscribed for) by the public practically is sold for account of the syndicate, for it receives the difference of 10 per cent between the price at which the stock is sold to the public (100) and the price at which it is underwritten by the underwriting syndicate (90). The syndicate is obliged to take the stock not sold to (subscribed for by) the public, but it has to pay only 90 for it as against 100 which the public has to pay. If all the stock is taken by the public (as is often the case) the underwriting syndicate has not to take and pay for any stock, but simply receives and divides among its members (in proportion to their shares in the syndicate) the amount represented by the difference of 10 per cent between the price of the stock to the public and the price to the underwriting syndicate. If some of the stock is not taken by the public it may be apportioned among the members of the syndicate, but usually it is sold (in the open market or otherwise) for the syndicate.

The bonds of a company (or a certain amount of them) may be underwritten in the same way as its stock.

A purchasing (or subscription) syndicate is different from an underwriting syndicate. A purchasing syndicate actually subscribes for takes and pays for the stock or bonds, which may be allotted to the members of the syndicate in proportion to their shares in it, or the stock or bonds may be sold and the profit (presuming that a sale is made at a profit) divided among the members. Issues of government, state and municipal bonds have often been bought by syndicates and immediately or very soon afterwards resold at high prices.

Also see Reorganization.

T

T. As printed on the tape by the stock ticker this letter means terminal, as terminal bonds.

Table A. English term, meaning the regulations for the management of a limited company, contained in the first schedule to the Companies' act, 1862.

Tack. As a speculative term tack means the direction in which a speculator's interest lies. Tack is used as a synonym for side. If, for instance, a speculator is said to be on or to have taken the long tack or bull tack on a stock or on the market it is meant that he is long of (in London bull of) a stock or of the market. On the other hand, if a speculator is said to be on or to have taken the short or bear tack on a stock or on the market it is meant that he is short of (in London bear of) a stock or of the market.

The term tack is used not only in speculation in stocks, but in speculation in grain, cotton, coffee, etc.

Tail-end. A colloquial appellation for a small speculator who acquires an interest in one or more stocks as the movement in them is approaching its termination.

Tailer. A colloquial appellation for a small speculator who tries to follow a large speculator or group of speculators in his dealings.

Take in. London Stock Exchange term; when a bargain is continued or carried over the money lender or bear who buys the stock for cash and sells it again for the next settlement is said to take it in. He generally receives a contango rate from the bull, who "gives on" the stock; but if the stock is so much oversold as to be scarce the taker-in pays the bull or lender of the stock a backwardation.

Taken up. When a speculator who has bought a stock on margin pays for it in full he is said to have taken it up.

On the London Stock Exchange a buyer takes up stock when instead of carrying over his bargain he pays for the stock and has it registered in his name.

Taker-in. London Stock Exchange term for one who takes in stocks—either a lender on stocks or a bear of the stock who has to borrow it. See *Take in*.

Tale quale or tel quel rate. In foreign exchange dealings a tale quale or tel quel rate is a net rate. It includes commission, brokerage, or in short, every charge, so that the rate is the total rate or price, to which there can be no addition.

Talon. English term for a certificate attached to a bond entitling the holder of the bond to a new set of coupons.

Tape. The ribbon of white paper on which the ticker (indicator) prints quotations of stocks, grain or cotton, etc.

Tape price. The price of a stock or bond as printed by the ticker (indicator) on a paper tape.

Tare. The deduction from the gross weights of goods of the weight of the receptacle, such as box, cask or sack.

Tariff. A schedule or list of prices or rates. For instance, the tariff of a hotel is the schedule or list of prices at which it provides accommodations. Again, the tariff of a railroad is the schedule or list of rates at which it carries freight and passengers; likewise, the tariff of a telegraph company is the schedule or list of rates at which it transmits messages.

Also, the tariff is the schedule or list of merchandise and other articles with the rates of duty to be paid on them to the government when imported (and in some instances when exported).

Tax. A contribution exacted compulsorily from persons, property or business for the support of the government.

Tax bond. A kind of bond issued by a state and receivable by it in payment of taxes.

Tax-free. Not subject to taxation.

Tax on a national bank. See *National bank tax*.

Technical conditions or a technical market. Technical conditions exist in a stock when the price is raised by manipulation—by force of buying orders given and executed for the purpose; or such conditions exist when the price is lowered by manipulation—by force of selling orders given and executed for the purpose. Also, technical conditions exist in a stock when the price rises in consequence of enforced covering of short contracts (enforced buying by speculators who had sold

stock which they did not possess) or such conditions exist when the price falls in consequence of enforced selling of long stock (stock which had been purchased with the intention of selling at an advanced figure.)

A technical market exists when prices as a whole are raised or lowered, as the case may be, by manipulation; also a technical market exists when an oversold condition compels covering of short contracts with a consequent rise in prices or when an overbought condition compels liquidation or sale of long stocks with a consequent fall in prices.

Telegraph frank. It confers the privilege of sending and receiving messages by telegraph free of charge; when this privilege is accorded the telegraph company supplies a book of stamps, each stamp being good for the transmission of so many words (twenty usually).

Telegraphic transfer. An order communicated by telegraph from one place to pay money at another place.

Telegraph pass. Same as telegraph frank; it confers the privilege of sending telegraph messages free of charge over the wires of the company issuing it.

Teller. The clerk in a bank who pays out money or the clerk who receives deposits. The paying teller is generally called first teller and the receiving teller is generally called second teller. The note teller in a bank is sometimes called the third teller; his particular business is to attend to the collection of promissory notes and drafts.

Tel quel or tale quale rate. In foreign exchange dealings a tel quel or tale quale rate is a net rate. It includes commission, brokerage, or in brief, every charge, so that the rate is the total rate or price, to which there can be no addition of any kind.

Tender. An offer for; a bid for.

In Great Britain tenders are sometimes invited for new issues of stock, chiefly first class securities, or Treasury bills. A minimum price is generally fixed and tenders at or above that price are invited.

Ten per cent up. On the New York Stock Exchange when a stock is bought or sold at buyer's or seller's option a deposit of 10 per cent by each party to the contract may be required to insure the performance of the contract.

Thin margin. Wall Street designation for a margin so small that it will provide for only a moderate adverse movement in the stock which has been bought or sold.

Third of exchange. For information see First, second and third of exchange.

Third teller. This is a name sometimes applied to the note teller in a bank; his particular business is to attend to the collection of promissory notes and drafts.

Thirty. A bill of exchange payable in 30 days is often called a thirty; plural, thirties.

Three. On the New York Stock Exchange stocks sold "at 3" are delivered by the seller to the buyer on the third day after the transaction, without an option for an earlier delivery.

Three and a shilling. A member of the New York Stock Exchange is permitted to do business for another member at a commission of 1-32 per cent for buying and the same for selling—at three and a shilling, or in other words, at \$3.12 1-2 per 100 shares of stock of the par value of \$100 each or 10 bonds of the par value of \$1,000 each. The charge to a person not a member is 1-8 per cent or \$12.50.

Through the clearing house. This term is applied to the act of a bank in presenting at the clearing house its claims (checks, drafts, etc.) against other banks—the claims are put through or sent through the clearing house for collection.

When a check reads that it is payable through the clearing house it means that the check is not to be presented directly to the bank upon which it is drawn and the amount of it collected in cash, but that it is to be deposited in another bank which will send it through the clearing house for collection. This form of check was devised in 1893 when there was such a scarcity of actual currency (money) that it commanded a premium. The banks could not meet the demands upon them for currency and loan certificates were employed by them instead of currency in settling balances at the clearing house. By requiring checks to be sent through the clearing house the payment of them in actual money was avoided.

The scheme worked so well that it was continued after the dearth of currency terminated, with the object, which it accomplished, of reducing cash payments at the banks to a

minimum. The banks did not rigidly adhere to the rule that checks must be sent through the clearing house, but they promoted the practise by having "through the clearing house" printed on the blank checks which they supplied to customers and by requesting customers who used specially designed and printed checks of their own to do likewise.

Through the Treasury. This term is applied to transfers of funds by a bank in one city to a bank in another city through the United States Treasury.

If a bank in New York desires to send \$500,000 to a bank in Chicago it will deposit the money in the Sub-Treasury in New York and will receive a check payable (always in the same kind of money or the kind of money for which the money deposited is exchangeable) at the Sub-Treasury in Chicago. The check is sent by mail to the Chicago bank.

If, however, a telegraphic transfer is desired the Sub-Treasury will telegraph (through the Treasury at Washington) to the Sub-Treasury in Chicago to make immediate payment. A memorandum order for the money is then forwarded by mail by the Sub-Treasury in New York to the Sub-Treasury in Chicago for use as a record of the transaction.

Thrown out of loans. A Wall Street term; securities which are not accepted by lenders of money as collateral are said to have been thrown out of loans. Usually when securities are rejected as collateral it is because of their unmarketable character or because of uncertainty as to their value.

Ticker. The popular name for the indicator, the machine operated by electricity which prints the quotations of stocks, grain or cotton, etc., on a paper tape.

When the price alone follows the letters standing for the name of a stock it is understood that the amount sold was 100 shares (or in the case of bonds, 10 bonds). Thus, RG. 75 means that 100 shares of Reading were sold at 75. When more or less than 100 shares (or in the case of bonds, more or less than 10 bonds) are sold the number of shares (or bonds) precedes the price, thus: RG. 200.75.10.75. An offer alone, without a bid, is preceded by an O and a dot, thus: RG. O. 75. A sale and an offer is recorded (printed) thus: RG. 75. O. 75. A bid alone, without an offer, is followed by the letter B, thus: RG. 75. B. A bid and an offer are separated by @, thus:

75@1-2 meaning that 75 was bid and the stock was offered at 75 1-2. (On some tickers three dots . . . are used in place of @). When the sale is not recorded (printed) in its proper place the price is preceded by the abbreviation SLD., thus: RG. SLD. 75. When the amount sold and the price are so nearly alike that they may be taken for two sales the amount of the sale is followed by the letter S and a dot, thus: RG. 73. S. 75, meaning 73 shares at 75; or SIL. 60. S. 61. meaning 60,000 ounces at 61.

When an error has been made by the reporter or in printing the last letter or figure is repeated several times, indicating that the quotation is to be thrown out, thus: RG. 75½ ½ ½ ½. Three-day contracts (contracts maturing in three days) are printed thus: RG. 200.75.3. A transaction buyer 4, 10, 20, 30 or 60 is recorded (printed) thus: RG. 75. B4 (or 10, etc.), meaning that the stock sold at 75, receivable by the buyer in 4 days (or 10 days, etc.). A transaction seller 4 (or 10, etc.) when the stock is deliverable by the seller in 4 days (or 10 days, etc.) is recorded (printed) in the same manner, with the letter S substituted for the letter B.

When * is printed it denotes that the quotation it follows is correct.

Tickerosis. A slang term for the mania of a speculator to hang over the ticker, the instrument operated by electricity which prints upon a paper tape the quotations for stocks, grain, cotton or other speculative commodities.

Ticket. In transactions on an exchange brokers use deliver and receive tickets. A deliver ticket and a receive ticket are sent by the seller to the buyer. The buyer keeps the receive ticket and stamping or writing an acknowledgment on the deliver ticket returns it. The operation is called comparison and it is confirmatory of the transaction between the two brokers.

In trade the term ticket means brand, that is, a brand of goods or a particular product.

For the meaning of the term ticket on the London Stock Exchange see Name day.

Ticket day. Same as name day; see Name day.

Tickler. A name given to a book kept in a bank which shows the debts owing to the bank and the days of payment.

This book derives its name from the fact that it serves as a reminder as to when paper falls due.

Tierce. A cask of lard containing 340 pounds. Quotations for lard are so much per 100 pounds. To ascertain the value of a tierce a quotation must be multiplied by 3 $\frac{2}{5}$ or decimally by 3.4.

Time (New York Stock Exchange). A designation for 2.15 p. m., when the time has expired for the delivery of securities in settlement of contracts entered into on the New York Stock Exchange which matured on the current day. For additional information see Hammond's time.

Time bargain. London Stock Exchange term for a bargain (contract) due for the new account, as opposed to a bargain for cash or for current account.

Time bill. A bill of exchange (draft) or promissory note payable at a specified future date.

Time draft. A draft payable at some specified future time.

Time limit. No contract on buyer's or seller's option which extends beyond 60 days is permitted on the New York Stock Exchange.

Time loan. Wall Street designation for money borrowed for a specified period, usually not less than 30 days nor more than six months, the repayment of which is secured by the deposit of collateral (stocks and bonds) with the lender.

It is a common practise for stock brokers to borrow money on time and to lend on call so much of what they have borrowed as they have not immediate use for. Should a broker, for instance, borrow \$500,000 and have use for only \$250,000 he would lend on call the remaining \$250,000. Should he require for his own use more than \$250,000 he would call in as much of the \$250,000 outstanding as he might need. Thus, the money which he might not have use for would not be idle but would be earning something. It might not earn as much in interest as the broker had to pay for it, but he would be sure of having money when he needed it.

But there is a possibility that it might earn in interest more than the broker had to pay in interest for it, for in a stringency in money the rate for call loans goes very high. Many times it has gone to 3-4 of 1 per cent "and interest," which is equivalent to the rate of 279 $\frac{3}{4}$ per cent a year. The 3-4 per cent

is the premium paid on the money and the interest is at the legal rate, which in New York state is 6 per cent. The premium is not paid each day while the loan stands, but is a premium paid for obtaining the loan. But the loan might be called (the return of the money demanded) the next day, in which case the borrower might have to pay the same premium for a renewal of it with the same lender.

There are times in the year when money is less abundant than at other times. For instance, money becomes more or less scarce as the end of June approaches and again as the end of December approaches. At these times money is being accumulated for the heavy interest payments due in the first instance on July 1 and in the second instance on January 1.

Again, as the grain and cotton crops approach maturity money flows from the money centres to the regions where these crops are grown to pay for them. Until this money begins to find its way back to the money centres money is not in plentiful supply and has in many years been scarce. It is the custom of brokers before this outflow to the crop regions begins to borrow on time—for three or four months—to make sure of an adequate supply while money is in large use in paying for the crops, or to employ the common expression, while it is in use in moving the crops. Money to move the crops generally begins to flow from the East to the West and South the latter part of August and the outflow generally continues until the fore part of November. It hardly begins to return, in volume, until December.

Also, when gold is being exported money is likely to be difficult to obtain. Accordingly, if the brokers see signs of gold exports they prepare for stringency or emergency by supplying themselves with time money—by negotiating time loans.

By the rules of the New York Stock Exchange a time loan must be paid before or at 2.15 o'clock on the day on which it becomes due; this also is the rule of lenders generally.

Also see Call loan.

Time money. A loan of money for a specified time. See Time loan.

Time note. A promissory note payable at some specified future time.

Time paper. A promissory note, draft or other instrument payable at a specified future time.

Tinkering. When new financial legislation is proposed the opponents of the measure presented denominate it tinkering the finances; likewise, when new tariff legislation is proposed opponents of the measure presented denominate it tinkering the tariff. Tinkering, as a colloquialism, means to mend or patch in the manner of a tinker—that is, in a makeshift fashion; sometimes, to botch.

Tip. A Wall Street colloquialism; same as point; advance information or a suggestion of supposed value.

Tipster. A Wall Street colloquial appellation for one who imparts tips or points; same as pointer.

Title. Title to property does not pass from one to another unless there is a mutual agreement to that effect.

If an agent has goods in his possession the title is still in the principal, although the agent may have advanced a larger or smaller proportion of their value. If he is not an agent but has simply advanced money on the security of the goods he has a lien upon them for his advance, but he does not own them. In the absence of an agreement an agent who has made an advance upon goods has a lien upon them to that extent. A creditor of the owner may take the goods and sell them subject to his lien.

To account. To account means to render a report or statement; to make an accounting.

To arrive. Anything bought to arrive is bought with the provision that it shall arrive (and be delivered) at or within a specified time.

To bearer. A check payable to bearer is payable to whoever may hold it. No indorsement on it is necessary. Instead of making a check read "Pay bearer" it is a common practise to make it read "Pay cash" or "Pay currency."

A promissory note or any order for money may be made payable to bearer.

Token money. Any metal money not as bullion worth its face value. Formerly the term applied to a metal tablet in the form of a coin issued by tradesmen and others as evidence of an amount due, as stated thereon, by the issuer to the holder.

Tolerance. Same as mint remedy; the extent to which coins may be abraded (reduced in weight by abrasion) or otherwise worn and still be redeemable at the Treasury at their face value.

The law says that any gold coins of the United States reduced in weight by natural abrasion not more than 1-2 of 1 per cent after a circulation of twenty years, as shown by the date of coinage, and at a ratable proportion for any period less than twenty years, shall be received at their nominal value by the United States Treasury.

The tolerance on silver and base metal coins is unlimited; the Treasury will receive them at their face value until abrasion or wear has obliterated the inscriptions on them.

The term tolerance or mint remedy also applies to the allowance for a slight difference in the fineness of gold or silver from the government standard. In gold the limit of difference above or below is one-thousandth; in silver it is three-thousandths.

Mutilated coins, either gold, silver, nickel or bronze, are worth only their bullion value, or in other words, are worth only the commercial value of the metal of which they are composed.

Ton-mile cost. A railroad term, meaning the average cost per mile of carrying each ton of freight.

Ton miles. A railroad term; the whole number of miles the whole number of tons was hauled. The result attained by adding together the number of miles each ton was hauled and then dividing by the number of tons shows the average number of miles each ton was hauled (transported). Ton mileage means the same as ton miles.

Tonnage. Freight in tons. For instance, the tonnage of a railroad or other carrying line is the number of tons it hauls or transports.

Also, tonnage means the carrying capacity of a vessel.

To order. A pecuniary instrument so made out calls for payment to the holder to whom it has been properly indorsed; when goods are shipped to order the consignee is subsequently to be named.

A check made payable to a person or to a person or order, as to Richard Smith or to Richard Smith or order, must be

indorsed with the name of that person before it is collectable. The name of the person must be written across the back of the check, which, when the name stands thus alone, makes the check payable to bearer, or the check must be formally assigned to another on its back by the one in whose favor it is drawn.

In Great Britain checks payable to order are similar in effect to those payable to bearer in the United States. In Great Britain when a bank or banker has paid in good faith in the ordinary course of business a check drawn on it or him it is not incumbent on it or him to show that the indorsement of the payee or any subsequent indorsement was made by or under the authority of the person whose indorsement it purports to be and the bank or banker is deemed to have paid the bill in due course, although such indorsement has been forged or made without authority.

Tout. Colloquial appellation used in England for a person who gets business by means of push and self-advertisement; usually applied to one who gets business by these means for others and is paid a commission on the business attracted.

To whom it may concern. To whomsoever is interested, pecuniarily or otherwise.

TR. As printed on the tape by the stock ticker these letters mean trust receipts (receipts for securities held in trust).

Trackage. When one railroad obtains, by contract, the right to run its trains over the line of a second railroad it is said to have obtained trackage or trackage rights on the second railroad.

Trade. Buying and selling for gain; mercantile traffic.

In its larger sense the term trade means the same as commerce; the exchange of goods products or property of any kind, especially such exchange between states and nations.

Also, a trade is a complete transaction; buying and selling or vice versa.

Trade balance. See Balance of trade.

Trade bill. London term for a domestic commercial bill. See Commercial paper.

Trade dollar. The act of February 12, 1873, authorized the coinage of a silver dollar, designated as a trade dollar, weighing 420 grains, .900 fine, that is, nine-tenths silver and one-

tenth alloy (copper). This was 7 1-2 grains heavier than the standard silver dollar.

Any owner of silver bullion was privileged to deposit it in a mint to be coined into trade dollars. These dollars were intended for trade with China and Japan in competition with the Mexican silver dollar which was a trifle less valuable. The same act made all silver coins legal tender to the amount of \$5 and this was construed to include the trade dollar. By joint-resolution of Congress on July 22, 1876, the legal tender quality of the trade dollar was abrogated and the Secretary of the Treasury was authorized to limit the coinage of it to such an amount as he might deem necessary to meet export demands. Coinage of the trade dollar was entirely discontinued February 22, 1878, except for proof pieces.

The act of March 3, 1887, provided that for a period of six months thereafter trade dollars not defaced, mutilated or stamped should be redeemed at their nominal (face) value in standard silver dollars or subsidiary coin and that the dollars so redeemed should be recoinced into standard dollars or subsidiary coin. The same act repealed all authority to coin trade dollars and those not redeemed in the specified time have now only a bullion value.

It was not intended that the trade dollar should circulate in the United States at all, but when the price of silver fell so that 420 grains were worth less than a gold dollar it became profitable for owners of silver to have it coined into trade dollars for circulation at home. Then Congress took away the legal tender quality of the trade dollar.

Trade-mark. Any symbol, mark, name or other characteristic or arbitrary indication adopted or used, as by a manufacturer or merchant, to designate the goods he manufactures or sells and to distinguish them from the goods of competitors.

The word "trade-mark" can be used without registering it and such use does not prevent or invalidate registration subsequently. A trade-mark is not in this respect like a copyright or a patent right. No one has the exclusive right to publish his own works or to manufacture his own inventions unless he establishes his right under certain acts of Congress.

The exclusive right to a trade-mark does not depend upon

any legislative act. The courts will punish fraudulent use of a trade-mark, even if the real owner has not registered it or even if the person using it fraudulently has registered it. Registration confers no right; it serves merely as a notice of claim of ownership. It is proof of title which will avail if there is not stronger proof to the contrary.

Trade money. Money coined in one country for trade with another country. The trade dollar of the United States was trade money; see Trade dollar.

Trade paper. English term for domestic commercial paper; specifically for promissory notes given by merchants for goods purchased or drafts drawn on merchants in collection of payment for goods purchased by them.

Trade price. The price charged by a wholesaler of goods to a retailer who sells again at a higher price.

Trader. One who buys and sells. One who makes a business of speculation in stocks or commodities is often designated as a trader. Also, a vessel employed in any particular trade (as the East Indian trade) is called a trader.

Traffic. As a commercial term traffic means business or trade. As a transportation term it means the business of a railroad or other carrying line. The term also applies to the business of a telegraph or a telephone company.

Traffic density. A term used in railroad accounting, meaning the result obtained when the number of passengers carried one mile is divided by the number of miles of road operated and the number of tons of freight carried one mile is divided by the number of miles of road operated.

Trailer. A colloquialism; same as tailer; a small speculator who tries to follow a large speculator or group of speculators in his speculations.

Train miles. A railroad term: the number of miles traversed by a particular train; or, the number of miles collectively, traversed by all trains of a railroad. The result attained by adding together the number of miles traversed by all trains on a railroad and dividing by the number of trains shows the average number of miles traversed by each train. Train mileage means the same as train miles.

Transaction. A sale—a purchase.

Transcontinental or Pacific railroads. Atchison, Topeka

& Santa Fe; Great Northern, Northern Pacific, Southern Pacific, and Union Pacific.

Transfer. The act of placing a certificate of stock or a registered bond in the name of a new owner.

The new owner of a stock which is in receipt of dividends or of a registered bond upon which interest is paid should have it transferred into his name before the closing of the transfer books for a dividend or for interest for the check for the dividend or interest will be sent to the person in whose name the stock or bond stands.

Transfer agent. An agent through whom stock may be transferred from the name of one owner to the name of another. Each stock company has its own transfer office or it appoints as a transfer agent a bank, trust company, firm or individual.

Transfer day. A name for the regular day for registering transfers of bank stock and government funds at the Bank of England.

Transfer deed. London legal and stock exchange name for a deed signed by the buyer and seller by which registered stocks or shares are legally transferred by the latter to the former.

Transfer office. The place where stock may be transferred from the name of one owner to the name of another. Each stock company has its own transfer office or it appoints as a transfer agent a bank, trust company, firm or individual.

Transferred in blank. Same as assigned in blank; see Assigned in blank.

Transmission of securities. See Investment securities.

Traps. A Wall Street colloquialism meaning worthless securities; same as cats and dogs or junk.

Traveler's check or cheque. A check for a specified amount issued by a banker and payable by any correspondent of the banker. The traveler purchases a number of these checks for, say, \$50 each and indorses each as he presents it for payment. These checks are largely used in place of letters of credit.

Traveler's letter of credit. The name commonly used for a circular letter of credit; see Circular letter of credit.

Treasurer. The officer of a corporation who receives, cares for and disburses revenues.

Treasurer of the United States. The officer of the Treasury Department who receives and keeps money belonging to or in the custody of the government and who makes disbursements on warrants or drafts.

Treasury bill. English; practically a government promissory note, payable in 3, 6, 9 or 12 months.

When the treasury is in need of money for current expenses it sells its bills (paper) at a discount the same as would a merchant in need of funds. Tenders (bids) are invited for the bills and the best offers are accepted. Most of the English floating debt is in the form of treasury bills. Treasury bills are also issued by India and some British colonies.

Treasury note. A note (money) issued by the United States Treasury in payment for silver bullion purchased under the so-called Sherman act or silver-purchase act passed July 14, 1890.

An important clause of this act was the one declaring it to be the "established policy of the United States to maintain the two metals (gold and silver) on a parity with each other upon the present legal ratio (15.988 to 1), or such ratio as may be provided by law." In order to comply with the law it was necessary when Treasury notes were presented for redemption to pay on demand either gold or silver as the holder of the notes might prefer. A refusal to do so would have made the notes silver notes.

The notes are in denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$1,000 and are redeemable in coin at the Treasury and at Sub-Treasuries; are exchangeable for all kinds of money except gold certificates and are unlimited legal tender except as otherwise contracted.

The amount of silver bought with Treasury notes during the three years before the repeal of the purchasing clause of the act on November 1, 1893, was 168,674,682 fine ounces at a cost of \$155,931,002 (an average of \$0.92.44 per ounce), which represents the total of the note issue. The bullion purchased was held as security for the notes. Up to August, 1893, the notes presented for redemption were reissued whether they were paid in gold or silver. Since that date all notes redeemed in silver have been canceled and the bullion so released as security has been coined into silver dollars or subsidiary coins.

Under the act of March 14, 1900, Treasury notes redeemed in gold are reissued only in exchange for gold deposited. Of the total issue only a small part now remains in existence.

The name Treasury notes was also applied to two issues of legal tender notes emitted by the United States government early in the Civil War. One series bore simple interest, sometimes 5 per cent and sometimes 6 per cent, and the notes had a definite period of payment. The 5 per cent notes had interest coupons attached. The other series consisted of compound-interest notes. These were payable in three years from date, with interest at 6 per cent compounded semi-annually and payable at maturity. On the back was printed a statement showing the value at the end of each six months. Neither of these issues was a success as a circulating medium, the accruing interest naturally causing them to be hoarded.

Trial of the pyx. The test of the fineness and weight of coins reserved from each new minting for the purpose. The receptacle for the coins so reserved or selected is called the pyx.

Triangular operation in exchange. An operation in which three places are involved. For additional information see Arbitration of exchange.

Triangular operation in gold. An operation in which three places (or three countries) are involved. As an example, an order may be sent from Paris to New York for the shipment of gold to Paris. If London is indebted to New York New York may order the amount of gold sent from London to Paris instead of sending it from New York. Thus, a large part of the transportation charges, insurance and interest while in transit is saved.

London often meets obligations in New York by ordering the forwarding of gold from Australia where London has a credit. On arrival in San Francisco the gold is deposited in the mint there which issues for it a receipt or check payable in gold at the Sub-Treasury in New York. Thus, the transportation of the gold across the continent is avoided.

For additional information see Gold exports and imports.

Trip pass. A ticket entitling the holder to a free ride between the points named in it on a railroad (or a steamboat or other conveyance).

True discount. If interest is deducted at the time a loan is obtained it is called true discount if the amount received plus the interest equals the amount to be paid at the maturity of the obligation.

True exchange. True exchange requires at least three parties. For instance, A in New York owes £1,000 to B in London, while C in London owes £1,000 to A in New York. A, therefore, draws on C in favor of B—in other words, A sends to B an order on C for the £1,000.

As an illustration of a more extended operation, A in New York owes £1,000 to B in London. C in Liverpool owes £1,000 to D in Chicago. D draws on C and sells the draft (bill of exchange) to A who forwards it to B who collects the amount of it from C (or what amounts to the same thing, sells the draft to a banker in London who makes collection).

Trunk lines. The railroads designated as the trunk lines are the Baltimore & Ohio, Delaware, Lackawanna & Western, Erie, Grand Trunk, Lehigh Valley, New York Central & Hudson River, New York, Ontario & Western, Pennsylvania, West Shore.

Trust. The term trust means credit; that is, confidence that payment, especially voluntary payment, will be made at a future time for goods or other property purchased.

The word trust also signifies custodianship and care of property.

The term trust is commonly applied to a combination of separate concerns or interests by an actual consolidation when the purpose is to control a particular industry or a business.

For example, by a consolidation or amalgamation of steel producing companies the "Steel Trust," so called, was created; likewise, by a combination of sugar refining companies the "Sugar Trust," so called, was created.

Probably the most remarkable economic and industrial development of the closing years of the nineteenth century and the opening of the twentieth has been the rise and growth of what have come to be popularly known as trusts. As applied to a great combination of capital brought together for the purpose of controlling or dominating an industry the term found its origin in the manner in which the original combinations

were formed. Rival producers of, for example, oil entered into an agreement to work harmoniously together, eliminate disastrous competition, and take advantage of the economies possible from centralized management. In order to make the agreement binding and avoid any possibility of its being broken the plan was devised of turning the stock of the various concerns involved over to trustees, who in turn issued to the original stockholders their receipts or certificates. The management of the properties then devolved upon the trustees and harmony and centralization of authority were assured. The properties being thus held in trust it was not long before the aggregation became known as a "trust." Although this particular form of combination was soon found to be unsatisfactory and impracticable and eventually was superseded by the more simple and direct method of outright purchase of the combining interests by huge corporations organized for the purpose the name "trust" is still applied to all such combinations.

Trusts have given rise to the most violent controversies, economic, legal and political. In the view of those who approve and believe in trusts they are but a natural evolution demanded by economic laws and beneficial to the body politic. Their existence and growth is explained as merely another step in the process by which individual effort has been replaced by combined effort in all branches of human activity. The time was when primitive man individually worked out his own existence. He raised his own food or obtained it by hunting, he built his own hut, made his own clothes, and hewed his own dugout which he propelled by his own strength. Now, his labor is specialized and by the fruits of it and the co-operation of his fellow-men he obtains his food and his clothing from the far corners of the earth, he lives in a house built by many hands, and speeds across the Atlantic in five days in a steamship which required the united labor of thousands to assemble and build and hundreds to operate. All this has been made possible by the relinquishment of individual independence and the growth of mutual confidence and interdependence among men.

Just as machinery on a vaster and vaster scale has displaced

manual labor and made possible the wonderful physical development of the earth to-day, so, the advocates of trusts believe, has cooperation in its political, industrial and commercial forms been the economic machinery by which civilization has been advanced. First came individual enterprise. Then, undertakings became larger and copartnerships involving two or three or perhaps half a dozen individuals were resorted to. Later, as the fields of enterprise still widened and the burdens of expense and management continued to grow, corporations sprang into being, combining the resources and energies of hundreds. And now, finally, great corporations have combined their strength in still huger proportions in what are known as trusts, carrying on the commercial and industrial activities of the world on a scale hitherto undreamed of.

These successive steps in development are explained as not only a perfectly natural, but a necessary growth, if the best economic results are to be obtained. By concentration of interests better organization is obtained and the utilization of the best brains and broadest experience is made possible. Some of the other advantages, briefly summarized, are: Economy in production, resulting from the purchase of raw materials on a large scale, the use of the best machinery and processes, specialization of plant, and the utilization of by-products; economy in distribution, resulting from direct control of deliveries from the nearest point of manufacture and the benefit derived in rates from large shipments; economy in sale, resulting from the elimination of competitive expenses for advertising, agents, offices, etc.; economy in handling and storage, resulting from the adjustment of supply to demand by means of general oversight of the whole field, thus avoiding overproduction; enlargement of the market, resulting from cheapened production and lower prices, thus making possible larger profits from smaller margins; finally, better business conditions in general, resulting from stability of prices and the avoidance of rate-cutting and ruinous competition.

On the other hand, opponents of the trusts see in them an unmixed evil. From this point of view trusts stifle competition by improper methods, tyrannize over their employes and over the public, arbitrarily raise prices and curtail production,

corrupt legislators, foster speculation through overcapitalization, and exercise generally a power thought by many to be fraught with possible danger to the public good. In addition it is urged that they crush individual effort and shut off the avenues of independent enterprise and advancement.

Trusts have been fought fiercely since their first inception, in the courts, in the legislatures, and in the public prints. In their original forms, whether as alliances, as agreements or as trusteeships, they were all declared illegal in this country by the courts. At the present time none exists here except in the form of full-fledged corporations owning either in full the stocks of the constituent companies or a controlling interest in each. In this form they have been able to withstand the attacks made on them and the opposition to them has very generally resolved itself into efforts to devise methods for governmental supervision and oversight of their operations. In England and Germany, however, where the trust movement has been equally as marked as in this country, alliances and contracts are still a frequent form, having been protected by the courts. In other cases absolute fusion of competing businesses has been effected as in this country.

The Standard Oil Company is generally considered the parent of all trusts. It was organized in the trustee form in 1882. It was followed in this country by many others, notably the Sugar Trust and the Whiskey Trust. These trusteeships having been declared illegal by the courts reorganization into the corporation form was resorted to. Then came for several years a perfect avalanche of consolidations, culminating in the organization of the United States Steel Corporation in 1901 with a total capitalization of more than \$1,500,000,000. Merely to catalogue the list of such consolidations would occupy pages of this book.

In England the pioneer trusts were the Salt Union and the United Alkali Company, followed in 1896 by J. & P. Coats, Limited, and scores of combinations in nearly every branch connected with the textile industries, also in iron, steel, ship-building, armor and gunwork, coal, borax, cement, fireclay, oil, dynamite, tobacco and many other commodities.

In Germany perhaps the best known combination is the

Rhenish Westphalian Coal Syndicate, which controls 94 per cent of the West German mines, exclusive of those owned by the government. Every branch of the iron and steel industries is under control of a syndicate and similar organizations hold sway in sugar, salt, paper, alcohol, plush, dyes, cotton and other industries.

The trust idea assumed international importance with the formation of the British American Tobacco Company, Limited, a union of English and American tobacco trusts, and of the International Mercantile Marine Company (commonly called the Atlantic Ship Trust), a union of some of the largest English and American shipping interests.

The name trust is sometimes applied to a combination of separate concerns or interests by an understanding or a compact, as a pool, but not by an actual consolidation. To such a combination the term combination or combine properly applies.

The term ring also is sometimes mistakenly used in place of the term combination or combine; specifically the term ring applies to a clique or coterie of individuals and not to a combination of concerns or interests.

Trust company. The banking law of New York defines a trust company as a "corporation formed for the purpose of taking, accepting and executing such trusts as may be lawfully committed to it, and acting as trustee in the cases prescribed by law, and receiving deposits of moneys and other personal property and issuing its obligations therefor, and of loaning money on real and personal securities."

A trust company is not permitted to issue bills to circulate as money. It cannot lend money at more than the legal rate on time and is not obliged to keep a lawful money reserve. In New York state the law requires that the capital of the company shall be invested in bonds and mortgages on unencumbered real property (real estate) in the state worth at least double the amount loaned thereon or of any county or incorporated city of the state duly authorized by law to be issued.

The powers and privileges granted to a trust company are much greater than those granted to a bank, except that a trust company is not permitted to issue circulating notes. The principal business and profit of most trust companies is not,

despite the name, in acting as trustees, but instead is in banking and financing.

In Great Britain a trust company is one whose main business is investing and dealing in stocks and bonds of other companies.

Trustee. A person who holds property in trust for another or for creditors.

Trustee process. The name in Massachusetts for garnishment, which is the attachment for debt of money or property while in the hands of a third party.

Trustee stock. A stock of the highest class in which trustees are authorized by law to invest.

Trust officer. The trust officer of a trust company is the officer who has immediate charge of matters in which the company acts as trustee.

T. T. Telegraphic transfer; refers to the transfer of money by telegraph.

Turn. A Wall Street term for a complete transaction. The sale of a stock already purchased constitutes a turn, as does the purchase of a stock already sold short.

Also see Jobber's turn, a London Stock Exchange term.

Turned down. A trade term; when a bid (offer) for goods is said to have been turned down it is meant that it was rejected.

Turn of the market. Wall Street term for the point at which the stock market changes its course.

On the London Stock Exchange the jobber (who is practically a wholesaler) will buy at one price or will sell at another. The price midway between that at which he will buy and that at which he will sell—and he will do either—is called the middle price; the jobber expects to undo or cover his bargain by a fresh bargain with another jobber at the middle price; the turn of the market is the difference between the middle price and the price at which the jobber bought or sold.

Turn over. The total value of the purchases, sales or other transactions of a business concern in any particular period. For instance, the year's turn over of a concern is the total business of the concern for the year.

Twisting the shorts. A Wall Street colloquialism which

means the act of advancing prices on the shorts (bears) by manipulation.

Two-dollar broker. A member of the New York Stock Exchange who executes orders for other members for \$2 per hundred shares and whose participation in transactions ends with the simple act of buying or selling.

Two-name paper. Same as double-name paper; paper that is indorsed. The term double-name paper is commonly used.

Two Sundays in one week. Railroads in making weekly reports of earnings count the first seven days as the first week, the second seven days as the second week, the third seven days as the third week and the remaining days of the month as the fourth week. In a month of 30 days the fourth week consists of nine days and in a month of 31 days it consists of ten days. Thus, the fourth week may contain two Sundays.

For additional information see Railroad earnings.

TX. As printed on the tape by the stock ticker these letters mean tax.

U

U. K. These letters signify the United Kingdom of Great Britain and Ireland.

UN. As printed on the tape by the stock ticker these letters mean unified, as unified bonds.

Unassented stock or bonds. Stock or bonds which the owners refuse to deposit under an agreement by which their status will be changed. For additional information see Readjustment.

Unauthorized clerk. One who, although admitted to the London Stock Exchange, is an attendant only on the member of the exchange by whom he is employed; his presence is for the purpose of checking (making and comparing memoranda of) bargains (contracts). An authorized clerk is authorized by the committee for general purposes of the exchange to transact business on the exchange for his employer.

Uncovered notes. Money in the form of notes that are not backed by gold or silver or other security.

Uncurrent securities. Those not frequently dealt in and especially those not dealt in on an exchange.

Under. On the London Stock Exchange under a figure or fraction (sixteenth) means 1-32 under. Under 9-16 means 17-32.

Underlying bond. A bond issued under a mortgage anterior and prior in claim to another mortgage; see Underlying mortgage.

Underlying mortgage. A mortgage anterior and prior in claim to another mortgage, as, for instance, when speaking of a second mortgage the first mortgage is the underlying mortgage.

Under the rule. On the New York Stock Exchange when a member of the exchange fails to receive or deliver stock, accordingly as he has bought or sold, the stock in question is bought or sold, as the case may be, by the chairman of the exchange for the account of the delinquent member, who is charged with any difference in price.

Uncompleted transactions of failed members are closed under the rule. Disputes frequently result in sales or purchases under the rule, the final settlement of the matter being determined by the proper committee of the exchange.

Undertone. In its application to the stock market the term means underlying or inherent strength or weakness, as the case may be.

Underwriter. One who insures; a member of an underwriting syndicate. For additional information see Syndicate.

Underwriting. Insuring, as insuring or guaranteeing that new issues of stocks or bonds shall be subscribed for. For additional information see Syndicate.

Underwriting syndicate. See Syndicate.

Undoing a bargain. London Stock Exchange term; a jobber who has bought from or sold to a broker undoes or covers the bargain by a fresh purchase or sale, generally with another jobber who has dealt with another broker.

Unfavorable (foreign) exchange conditions. See Favorable and unfavorable (foreign) exchange conditions.

Unfunded debt. Floating debt; see Floating debt.

Unified bonds. Another name for consolidated bonds or consols; an issue of bonds created to unify or consolidate or refund (take up and replace) two or more previous issues.

United States note. A particular form of paper money issued by the United States and based simply on the credit of the country (not issued against gold or silver on deposit); often called greenback (because the back is printed in green) and also legal tender or legal tender note.

United States notes were authorized by various acts of Congress passed at the time of the Civil War and were virtually a forced loan. Some of the earlier issues were convertible into bonds, but this provision was abrogated on July 1, 1863. The highest amount at any time outstanding was \$449,338,902 on January 3, 1864. The original intention was to redeem the notes and cancel them and by December 31, 1867, the amount outstanding had been reduced to \$356,000,000, but Congress on February 4, 1868, passed a law, without the President's approval, suspending further retirement. On March 18, 1869, Congress solemnly pledged the faith of the United States to the payment of these notes in coin or its equivalent and to make provision at the earliest practical moment for their redemption. During the panic of 1873 the issue was increased to \$382,979,815, but under authority of the resumption act, January 14, 1875, retirement of the notes was again undertaken and by May 31, 1878, the amount outstanding had been reduced to \$346,681,016, where it has remained ever since, as on that date Congress passed an act forbidding further cancellation and directing the reissue of such as might be redeemed.

The resumption act went into effect January 1, 1879. On December 17, 1878, for the first time since 1861, the notes reached parity with gold, where they have remained ever since. Their lowest status had been reached in 1864, when they were worth less than fifty cents on the dollar.

The resumption act authorized the Secretary of the Treasury to sell bonds to secure coin for redemption purposes and also to make use of any other available Treasury coin. As a result the Treasury on January 1, 1879, held over \$114,000,000

of available gold. From that time it was the established policy of the government to keep on hand a reserve of \$100,000,000 in gold for redemption purposes and by the act of March 14, 1900, that reserve was increased to \$150,000,000. The word redemption, as used in this connection, is, however, a misnomer for the reason that while the government is compelled to pay gold on demand for all United States notes presented it is not allowed to cancel the notes so redeemed but must reissue them in the ordinary course of business. Thus, they get into circulation and may be and often are again presented with a demand for gold. This process has come to be known as the endless chain and by its operation the government has been forced to supply and pay out gold to an amount far in excess of the total amount of the notes. At the same time the debt represented by the notes has not been reduced in the least, while the notes themselves are still available for the purpose of extracting more gold from the Treasury. So active was the working of the endless chain in 1894, 1895 and 1896 that at one time the gold reserve was reduced to \$42,000,000. Four separate bond issues, amounting in all to \$265,000,000, were found necessary in order to preserve the redemption fund and maintain the credit of the notes.

United States notes are issued in denominations of \$1, \$2, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000. They are exchangeable for all kinds of money except gold certificates, but including gold coin, and are a full legal tender for the payment of debts except as otherwise expressly stipulated in the contract.

Unit of value. The unit of value in the United States is the gold dollar of 25.8 grains, nine-tenths fine; that is nine-tenths gold and one-tenth alloy; worth 100 cents.

In the first mint law of the United States the gold eagle was declared to be "of the value of ten dollars or units."

For additional information see *Moneys of the world*.

Unliquidated damages. Unascertained damages.

Unlisted stocks. This is the common designation for stocks which, in official terms, have been "admitted to quotation in the unlisted department" of the New York Stock Exchange. Admitted to quotation means admitted to dealings. For details as to unlisted stocks see *Admitted to dealings at the New York Stock Exchange*.

The term *unlisted* does not apply to a stock that is not dealt in on the New York Stock Exchange at all. Such a stock is an *outside stock*.

Unloading. In Wall Street the term *unloading* means disposing of stocks.

Unsecured. Not protected against loss.

Unsecured creditor. One whose claim is not secured (payment not insured) by either a pledge of property or a lien.

Upset price. The lowest price that will be accepted, a term frequently used at auction sales or in offers otherwise of property in competition.

UR. As printed on the tape by the stock ticker these letters mean *under the rule*; see *Under the rule*.

Usance. A period of time, variable as between different countries, which, by commercial usage, is allowed for payment of foreign bills of exchange, exclusive of days of grace. On bills drawn in China and India on European centres commercial usage has established a *usance* of four months. *Double-usance* and *half-usance* are recognized.

Usury. A premium paid or stipulated to be paid for the use of money borrowed beyond the rate of interest established by law; illegal profit from the lending of money.

Utter. To issue, as to utter (issue) a check, bill of exchange (draft) or promissory note.

The word *utter*, however, is generally used in connection with the issuance of a forged instrument (as a forged check, bill of exchange or draft, promissory note, etc.) or with the issuance of counterfeit money.

Utterer. One who utters: see *Utter*.

V

Valuation. Estimated worth or value; appraisalment.

Value. The rate of worth set upon a thing.

Value bill (of exchange). A draft (bill of exchange) drawn against a consignment of property. For instance, if A in New York ships goods to B in London and draws on B for the value of the goods, attaching the bill of lading, insurance policy, etc., to the draft (bill of exchange), the bill is a value bill.

Again, if a banker in New York sells securities to a banker in London and draws on the banker in London for the value of the securities, attaching the securities to the draft (bill of exchange), the bill is a value bill.

See Non-value bill (of exchange).

Value of silver. See Silver bullion.

Value received. A term used in a promissory note or bill of exchange to indicate that the note has been made or the bill accepted for a consideration and not for accommodation.

Vanderbilt railroads. Railroads controlled by Vanderbilt interests: Chicago & Northwestern, Cleveland, Cincinnati, Chicago & St. Louis (Big Four), Lake Shore & Michigan Southern, Michigan Central, New York Central & Hudson River, New York, Chicago & St. Louis (Nickel Plate), and West Shore.

Vendee. The person to whom a sale is made.

Vendor. The person who sells.

Vendor's shares. English; shares issued to a vendor by a company in payment or in part payment for property acquired from the vendor (seller).

Via. A term sometimes applied to a bill of foreign exchange. When drawn in duplicate or triplicate each bill is called a via; but if only one bill is drawn it is called sola.

Vice-president. One who acts in place of the president, as in the absence of the president; see President.

Vise. An official indorsement on a passport or other document certifying that it is correct.

Visible supply. Trade term for stocks of grain in public

elevators in large cities and afloat on lakes, rivers and canals.

Voting trust. This is created by placing the stock of a company, either all or a majority, in a trust, usually for a specified period, for voting purposes. Thus, the control of the company is locked up in the hands of trustees. Receipts for the stock are issued and these may be dealt in and receive dividends the same as the stock itself, but they have no voting power.

Voting trust certificate. When the stock of a company is lodged in a voting trust so that the voting power of the stock is confided to the trustees of the voting trust (commonly designated voting trustees) certificates or receipts for it, called voting trust certificates, are issued in place of and represent ownership of the stock. The certificates are dealt in and transferred the same as the stock and when the voting trust terminates or is dissolved the certificates are exchanged for the stock itself.

If dividends are declared on the stock while the voting trust is in force they are paid to the holders of the voting trust certificates. The certificates, in brief, are in all respects the equivalent of the stock, with the exception that they do not possess voting power.

Voucher. A receipt.

W

W. As printed on the tape by the stock ticker this letter means west or western.

Warehouse receipt. A receipt for goods placed in a warehouse. It is assignable and the transfer of it completes the delivery of the property represented by it.

Washing. A Wall Street colloquialism used to describe the operation of simultaneously buying and selling the same stock for the purpose of making quotations and generally for the purpose of inducing speculation in the stock by imparting ap-

parent activity to it. The transaction is fictitious and so is the price.

Also see Manipulation.

Watch my number. Each member of the New York Stock Exchange has a number. When it is desired to call a broker from the floor of the exchange his number is made by means of an electrical device to appear on an annunciator on the wall of the board room. If a broker has occasion to leave the room he requests some fellow-broker to "watch my number" in order that he may be apprised on his return if he has been called for.

Watered stock. A colloquialism used when the capital stock of a company is increased in amount without a corresponding increase in assets. When a stock dividend is declared the original stock is watered to that extent unless the new stock represents added property or value in some form.

Weather-crop report. A report issued weekly (on Tuesday) in the crop seasons by the weather bureau of the Agricultural Department in Washington and designated the "Weekly summary of crop conditions." It tells of the weather in the week preceding and of its influence or effect, whether favorable or unfavorable, on the growing crops.

Also see Government crop report.

Welching. A colloquialism, meaning evasion of payment of losses fairly sustained.

Westralians. London Stock Exchange name for shares in West Australian mining, land and other companies; another name is Kangaroos.

Wheat states. The states which produce large crops of wheat, viz: Winter wheat states (those which produce large crops of winter wheat)—Colorado, Illinois, Kansas, Kentucky, Maryland, Missouri, Pennsylvania, Oklahoma, Oregon, Tennessee, Texas. Spring wheat states (those which produce large crops of spring wheat)—Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Washington, Wisconsin.

When issued. A term employed when dealing in a stock not yet issued. When a stock is sold w. i. it is deliverable when, as and if issued. This is a stock future corresponding to a grain, cotton or coffee future, except that it is indefinite as to time.

Whipsawed. A Wall Street colloquialism, meaning that a loss has been sustained both ways—first in buying and then in selling short, or vice versa.

White list. The list of the transactions in detail in all stocks and bonds dealt in on the New York Stock Exchange printed on white paper daily. It is divided into three parts, the first containing sales from 10 a. m. to 12 noon, the second containing sales from 12 to 2 p. m. and the third containing sales from 2 to 3 p. m.

White money. A colloquial name for silver money.

Wholesale. Goods sold in quantity to retailers are goods sold at wholesale.

WI. As printed on the tape by the stock ticker these letters mean when issued; see **When issued**.

Wide margin. A Wall Street designation for an unusually large margin.

Wide opening. In an excited market the opening prices for stocks (or for commodities) may simultaneously be wide apart (widely different) for the same stocks; in such a case it is described as a wide opening.

Wide prices. Prices that are not near together; that are wide apart. The term applies when a bid and an asked price are separated by 1 or 2 per cent or more instead of by a fraction, as, for instance, 100 bid and 105 asked. Again, the term applies to fluctuations in a stock or a commodity in which the fluctuations are large (wide). The term also applies when transactions occur simultaneously in a stock or a commodity at prices wide apart (widely separated).

Also see **Wide opening**.

The opposite of wide prices is close prices; see **Close prices**.

The term wide price as used on the London Stock Exchange means that the price at which a jobber (practically a wholesaler) will sell a stock is widely different from the price at which he will buy the same stock. See **Jobber**.

Wildcat money. A name applied to the depreciated or worthless money formerly issued by state banks that became insolvent; also called red dog money and yellow dog money.

The term wildcat money applied originally to the circulating notes (money) of banks in the wilds of Wisconsin. These banks were organized after the enactment of the general bank-

ing law of the state in 1852 and they were located in the most obscure places, often in huts in forests. The banks were created solely for the purpose of issuing circulating notes and were established at inaccessible points in order to prevent the presentation of their notes for redemption. As their surroundings were in many instances the habitat of wildcats the banks were called "wildcat banks" and their notes were called "wildcat money." Eventually the term wildcat was applied to all unstable banks throughout the country and to the depreciated notes of such banks.

Wildcat scheme. A term which signifies a visionary if not a dishonest scheme.

William Paterson. William Paterson was the original projector of the Bank of England. He was born in Scotland in 1658 and died in London in 1719. The plan for the Bank of England was presented by him to the government in 1691 and the charter of the bank was issued July 27, 1694. He was a director of the bank for a single year only.

He also projected a plan for colonizing the Isthmus of Darien by the formation of a company called the "Company of Scotland for trading to Spain and the Indies." He joined the ill-fated expedition which set out from Scotland to Darien in 1698. He returned home in 1699 and in 1700 removed to London. He was afterwards a member of Parliament.

Wind bill. In Scotland an accommodation bill is called a wind bill.

Winding up. English term for the liquidation of a company.

Window dressing. A term used when banks accumulate cash to make a showing in the statements which they are required by law to publish.

Winter wheat states. The states which produce large crops of winter wheat, viz: Colorado, Illinois, Kansas, Kentucky, Maryland, Missouri, Pennsylvania, Oklahoma, Oregon, Tennessee, Texas.

Wiped out. A Wall Street colloquialism employed when a transaction is closed by the exhaustion of margin or principal.

Wire. To wire means to communicate by telegraph.

Withdrawn. On an exchange when a bid or offer is made and the one making it says "Withdrawn" before it is accepted

the bid or offer no longer holds good. Once accepted, however, there can be no withdrawal except by consent of both parties to the transaction.

With exchange. When the words "with exchange" are appended to a draft the charge for the collection of the draft is to be collected from the payer (the one who is to pay) as well as the amount of the draft itself. Thus, if a person in New York draws on a person in Chicago "with exchange" the person in Chicago has to pay the charge imposed for forwarding the draft to Chicago and obtaining payment of it as well as the amount of the draft itself.

With exchange is different from in exchange; see In exchange.

With interest. Means with interest added. When a promissory note contains the words "with interest" without specifying the rate it is understood that the legal rate is to be paid.

Without recourse. The words "Without recourse to" before an indorsement on the back of a promissory note or bill of exchange (draft) absolve the person so signing from any legal process by the holder in case payment at maturity is not made. In other words, the indorser is a mere assignor of the title to the paper and is relieved from responsibility for its payment.

Witnessed. When a signature is witnessed it is authenticated by the signature of another or others.*

Worked for export. Trade term used when grain has been sold and worked out of a storehouse into the hold of a vessel.

Working capital. Actual money required to carry on a business.

Working expenses. Same as operating expenses; the expenses involved in the operations of a company.

Working partner. English term; same as active partner.

World's shipments. Designation for the weekly shipments of grain from exporting to importing countries.

Writing off. Debiting the profit and loss account with a loss; cancelling a debt as far as the debtor is concerned.

X

X. As printed on the tape by the stock ticker this letter means ex-coupon or ex-dividend or ex-interest.

Also, X is the same as Ex; without or not including, as ex-dividend or ex-interest.

X-d. Ex-dividend, that is, without the dividend. If a stock upon which a dividend has been declared is sold and the sale is not to include the amount of the dividend the stock is sold ex-dividend.

X-i. Ex-interest; that is, without interest, or in other words, interest not included.

Y

Yankee rails. London Stock Exchange name for the stocks of American railroads; same as American rails.

Yankees. London Stock Exchange name for American railroad securities.

Yellow dog money. A contemptuous name applied to the paper money formerly issued by state banks which failed. For additional information see Red dog money; also see Wildcat money.

Yellow money. A colloquial name for gold money.

Yield. This term is often used to signify the percentage of return in interest or dividends. For information see Income basis.

Z

Zero. The lowest point in any standard of comparison.

Zollverein. A union of separate states for the establishment of a common tariff of duties on imports from other countries and for the establishment of free trade among themselves.

Zone. In agriculture this term means the same as belt, as the cotton or the corn belt.

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